

The Commercial & Financial Chronicle

INCLUDING

Bank and Quotation Section (Monthly)
Railway and Industrial Section (Quarterly)

State and City Section (Semi-Annually)
Street Railway Section (Three Times Yearly)

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CLEARING HOUSE RETURNS.

The following table, made up by telegraph, etc., indicates that the total bank clearings of all the clearing houses of the United States for the week ending to-day, October 21, have been \$3,808,913,967, against \$2,803,794,447 last week and \$2,839,384,747 the corresponding week last year.

Clearings—Returns by Telegraph. Week Ending October 21.	1905.	1904.	P. Cent.
New York.....	\$1,443,798,780	\$1,564,279,778	-8.5
Boston.....	1,153,913,083	1,221,328,204	-6.3
Philadelphia.....	118,233,146	115,174,445	+2.7
Baltimore.....	24,085,000	21,263,373	+13.3
Chicago.....	174,952,155	186,878,309	-6.4
St. Louis.....	\$54,000,000	50,971,870	+5.9
New Orleans.....	14,070,016	16,246,792	-13.4
Seven cities, 5 days.....	\$1,904,172,795	\$2,107,112,880	-9.9
Other cities, 5 days.....	351,095,961	321,161,905	+9.2
Total all cities, 5 days.....	\$2,315,271,750	\$2,428,274,785	-4.7
All cities, 1 day.....	403,642,108	410,810,062	-1.7
Total all cities for week.....	\$2,808,913,857	\$2,839,384,747	-1.1

* Partly estimated.

The full details for the week covered by the above will be given next Saturday. We cannot furnish them to-day, clearings being made up by the clearing houses at noon on Saturday, and hence in the above the last day of the week has to be in all cases estimated, as we go to press Friday night.

We present below our usual detailed figures for the previous week, covering the returns for the period ending with Saturday noon, October 14, and the results for the corresponding week in 1904, 1903 and 1902 are also given. Contrasted with the week of 1904 the total for the whole country shows a gain of 14.3 per cent. Outside of New York the increase over 1904 is 12.8 per cent.

Clearings at—	1905	1904	Inc. or Dec.	1903	1902
New York.....	1,747,552,301	1,515,867,690	+15.3	1,125,459,183	1,721,164,799
Philadelphia.....	135,922,984	119,062,448	+14.2	108,794,944	125,088,946
Pittsburgh.....	50,413,331	42,082,197	+19.5	44,367,927	40,330,358
Baltimore.....	27,424,107	28,497,470	-3.8	26,282,249	23,581,367
Buffalo.....	7,405,458	6,516,117	+13.6	6,427,467	6,457,164
Washington.....	5,728,467	4,392,800	+30.3	4,339,554	3,802,000
Albany.....	8,017,630	4,325,984	+84.7	3,789,943	3,623,137
Rochester.....	3,444,310	3,243,054	+6.2	3,051,371	2,558,878
Syracuse.....	2,000,138	1,800,000	+11.1	1,694,327	1,901,244
Scranton.....	1,207,830	1,342,367	-10.8	1,260,686	1,356,857
Wilmington.....	1,303,873	1,022,537	+27.4	1,250,883	1,314,912
Reading.....	1,302,112	1,183,538	+10.1	1,090,907	1,255,512
Wilkes Barre.....	1,063,630	1,016,305	+4.6	980,907	735,512
Wheeling.....	977,224	774,415	+25.8	775,361	820,157
Binghamton.....	406,300	423,400	-4.0	426,000	382,000
Greensburg.....	358,317	397,028	-9.7	308,295	461,286
Chester.....	428,176	472,752	-9.4	492,530	345,706
Erie.....	608,441	582,929	+4.4	474,691	345,706
Franklin Pa.....	266,559	256,450	+3.9	188,600	.....
Total Middle.....	1,903,251,669	1,738,724,646	+9.5	1,330,193,555	1,938,130,952

Clearings at—

	1905.	1904.	Inc. or Dec.	1903.	1902.
Boston.....	158,707,137	189,038,414	-19.7	88,400,851	142,482,020
Providence.....	8,745,909	8,734,600	+0.2	6,832,806	6,696,600
Hartford.....	2,630,143	2,717,454	-3.2	2,533,005	2,743,174
New Haven.....	2,630,995	1,840,560	+43.2	1,781,363	1,914,363
Springfield.....	2,487,930	1,539,163	+61.6	1,925,507	1,774,303
Worcester.....	1,601,942	1,470,301	+8.9	1,538,004	1,967,384
Portland.....	2,010,706	1,891,771	+6.3	1,601,865	1,839,968
Fall River.....	979,389	667,888	+46.6	1,031,163	1,192,526
Lowell.....	490,341	543,008	-9.9	523,786	563,566
New Bedford.....	715,260	680,918	+5.0	533,976	506,450
Holyoke.....	483,437	491,456	-1.6	438,048	366,573
Total New England.....	181,802,054	189,429,035	-4.5	150,568,452	164,226,611
Chicago.....	308,317,179	187,415,603	+64.3	185,675,641	187,368,180
Cincinnati.....	24,215,900	23,423,850	+3.4	21,050,000	21,083,850
Cleveland.....	10,063,707	13,338,412	-24.9	15,469,699	16,814,580
Detroit.....	12,780,333	11,024,054	+15.9	10,491,559	9,389,859
Milwaukee.....	9,494,073	8,600,051	+10.4	9,437,096	8,304,944
Indianapolis.....	7,387,079	6,701,612	+10.2	5,776,619	5,825,756
Columbus.....	4,350,803	4,759,800	-9.2	4,438,100	4,180,050
Toledo.....	4,038,004	3,806,494	+5.9	3,577,026	3,970,859
Peoria.....	3,602,047	3,130,883	+15.1	3,137,364	3,007,483
Grand Rapids.....	2,275,217	2,020,575	+12.2	2,128,373	1,970,443
Dayton.....	1,760,492	1,680,216	+4.7	1,620,867	1,651,528
Evansville.....	1,720,410	1,175,405	+46.9	1,243,908	1,111,603
Akron.....	504,100	511,500	-1.4	791,000	767,700
Yonkers.....	618,966	853,816	-27.4	1,002,711	600,850
Springfield, Ill.....	618,976	606,223	+2.0	600,061	570,109
Yonkers.....	830,236	905,708	-7.7	702,366	570,940
Lexington.....	731,979	547,304	+33.9	535,058	514,925
Rockford.....	437,343	481,148	-11.2	440,877	437,877
Springfield, O.....	546,576	561,790	-2.7	474,000	381,643
Bloomington.....	474,329	412,389	+14.3	407,384	359,994
Quincy.....	402,446	433,267	-6.9	408,000	365,519
Decatur.....	310,971	342,388	-9.2	384,417	377,369
Decatur.....	349,037	292,810	+19.9	275,235	233,813
Mansfield.....	387,461	209,713	+86.0	292,302	214,419
Jacksonville.....	297,718	260,236	+14.8	214,703	170,904
Macon.....	180,000	150,000	+20.0	154,500	150,000
Ann Arbor.....	130,000	115,322	+12.7	104,297	102,807
Fort Wayne.....	753,299	Not included	d in to tal.	.....	.....
South Bend.....	447,636	Not included	d in to tal.	.....	.....
Total Mid. Western.....	303,990,263	273,562,398	+11.1	271,420,933	249,552,739
San Francisco.....	88,060,874	85,001,536	+3.6	83,951,657	89,000,000
Los Angeles.....	10,302,864	6,362,247	+61.9	6,554,556	5,400,393
Seattle.....	8,424,565	5,150,557	+63.9	4,894,514	5,304,815
Portland.....	4,753,390	3,150,000	+50.8	2,825,941	4,065,105
Salt Lake City.....	6,063,260	6,700,000	-9.0	4,674,811	4,297,710
Spokane.....	4,320,873	3,084,977	+40.1	2,584,436	2,360,468
Yacoma.....	3,724,229	2,800,000	+33.0	2,027,859	1,800,000
Yacoma.....	1,388,778	1,000,000	+38.7	650,000	1,391,369
Fargo.....	284,088	718,100	-16.2	670,000	615,408
Sioux Falls.....	517,712	394,934	+31.2	308,100	340,925
Total Pacific.....	78,803,241	68,298,368	+14.9	59,505,500	67,383,483
Kansas City.....	27,202,113	23,769,800	+14.4	26,452,846	23,667,169
Omaha.....	20,787,471	22,365,607	-7.5	19,310,258	21,841,708
Minneapolis.....	9,044,760	8,040,859	+12.3	7,950,549	8,102,500
St. Paul.....	8,730,402	6,500,327	+33.0	6,239,354	6,784,075
St. Joseph.....	4,890,635	4,552,467	+7.3	4,655,045	5,080,045
Des Moines.....	6,547,770	6,030,311	+8.6	5,040,223	5,080,045
Sioux City.....	2,654,730	2,840,641	-7.0	2,381,840	2,969,577
Sioux City.....	1,776,208	1,444,863	+23.3	1,371,878	1,700,000
Topeka.....	971,561	1,324,161	-26.9	1,324,161	1,660,256
Wichita.....	916,064	997,931	-7.9	902,563	900,000
Wichita.....	1,157,772	1,029,065	+12.4	712,555	619,391
Colorado Springs.....	600,000	438,879	+36.7	374,368	561,066
Colorado Springs.....	418,622	418,622	0.0	.....	.....
Montgomery.....	334,242	219,979	+52.0	180,177	156,999
Pueblo.....	652,545	Not included	d in to tal.	.....	.....
Total other West'n.....	61,808,259	79,702,304	-22.5	77,159,825	78,148,078
St. Louis.....	62,276,156	50,412,774	+23.6	50,912,509	51,649,879
New Orleans.....	10,388,055	15,546,384	-33.5	19,068,690	18,826,734
Louisville.....	11,693,146	10,028,154	+16.6	10,535,541	9,838,333
Houston.....	10,908,272	8,080,830	+34.9	9,556,169	8,604,789
Galveston.....	7,500,000	6,000,000	+25.0	5,748,500	4,401,000
Richmond.....	5,228,191	4,853,543	+7.6	4,488,705	4,497,001
Savannah.....	8,207,215	6,618,748	+24.0	5,514,426	4,200,074
Memphis.....	6,088,459	6,476,046	-6.3	4,984,183	5,255,496
Atlanta.....	4,386,412	4,462,240	-1.7	3,892,387	3,765,964
Norfolk.....	3,605,308	2,914,500	+23.9	2,418,168	2,300,184
Fort Worth.....	2,380,495	2,199,857	+8.2	1,725,305	2,041,179
Birmingham.....	3,051,924	2,102,361	+44.9	1,894,741	1,659,717
Knoxville.....	1,888,509	1,469,911	+28.2	1,110,749	1,000,500
Augusta.....	1,238,902	1,164,326	+6.4	1,090,705	901,434
Little Rock.....	2,653,568	2,093,071	+26.9	2,300,914	2,104,083
Charleston.....	1,361,138	1,162,138	+17.2	998,415	1,199,267
Mobile.....	1,081,155	1,479,540	-26.3	1,403,094	1,199,267
Macon.....	731,818	846,512	-13.9	1,006,000	1,141,000
Chattanooga.....	795,770	795,770	0.0	795,770	680,000
Columbus, Ga.....	1,271,043	900,141	+41.2	795,624	804,236
Total Southern.....	158,048,585	143,529,752	+10.1	138,548,167	120,163,714
Total all.....	2,802,794,447	2,839,384,747	-1.3	2,803,794,447	2,839,384,747
Outside New York.....	1,065,242,056	955,416,794	+11.6	901,936,312	967,389,733
CANADA—	.....	.....	.....	.....	.....
Montreal.....	81,031,866	84,506,076	-4.2	80,427,107	72,748,854
Toronto.....	22,780,162	20,182,570	+12.9	18,051,301	15,758,377
Windsor.....	10,288,007	9,947,073	+3.3	4,619,017	4,142,109
Halifax.....	1,800,000	1,894,920	-5.0	1,712,085	1,523,131
Ottawa.....	6,947,037	2,077,036	+23.6	1,917,216	1,567,866
Quebec.....	1,517,964	1,088,528	+39.5	1,391,590	1,302,088
Vancouver.....	1,770,274	1,567,727	+13.3	1,148,784	1,000,049
Hamilton.....	1,512,958	1,196,270	+26.4	1,047,416	942,970
St. John.....	1,490,490	1,040,664	+42.3	808,749	684,297
London.....	1,015,349	894,307	+13.3	735,968	677,648
Victoria.....	797,207	792,077	+0.6	743,081	661,967
Total Canada.....	70,060,181	61,667,406	+12.9	49,041,156	51,860,319

THE "BANKERS' AND TRUST" SECTION.

In our "Bankers' and Trust" Section to-day, a copy of which is sent to every subscriber of the "Chronicle," we present to our readers a complete report of the proceedings of the Annual Convention of the American Bankers' Association, held last week in Washington, D. C.

THE FINANCIAL SITUATION.

Foreign exchange has made further advance this week, leading to suggestions of gold exports and to proposals that the Treasury should turn over to its bank depositaries 20 millions of its surplus holdings of gold and currency as a relief to the strain in money if gold exports should ensue. This advance, it will be remembered, was a feature even while gold was being imported, a strong indication that gold imports were an artificial affair, as we have shown in previous weeks. Now the natural bent is asserting itself with accumulated energy. Trade movements are not very unlike water courses; forced against their current, resistance is the first development and finally a reversal of the unnatural is inevitable, asserting itself with accumulated force.

Whether there are to be exports of gold depend upon certain circumstances which are not as yet obvious. We cannot doubt we shall return to Europe all we have recently gained from that source—about $8\frac{1}{2}$ million dollars. There are at the moment reasons to support the surmise that the outflow will not stop with that. There is a considerable balance on deposit in our banks due on the subscriptions to the last issue of \$50,000,000 Japanese bonds. It is assumed that a considerable part of that amount is still outstanding, which is subject to transfer to London after deducting all amounts due from Japan for purchases made here by her. What is to be the influence on the world's money markets of placing the Russian loan we can only determine on the basis of past experience. Such transactions have always led to preparations, and such preparations mean accumulations of cash at each center expecting to share in the takings. Accumulations of that character cannot be made except by creating a strain in all accessible markets, and ours is peculiarly vulnerable, being flooded with currency of an irredeemable sort. Still, it is to be said that this loan has been overhanging the markets a long time, and a considerable portion of the accumulations of gold in the Bank of France during the year were at the time said to be made in anticipation of the placement of that loan. Cables from Europe report that the United States is to share in subscribing for the loan. There has been no announcement to that effect here.

But aside from those transactions the international trade situation is not believed to be at the moment in our favor. We have large surpluses from our abundant harvests for export from the sale of which a reversal of this situation is expected; but our imports are running up to such high values as to aggregate an amount considerably in excess of previous years. This week Wednesday the September foreign trade exhibit was issued by the Bureau of Statistics, which showed the largest imports (\$102,138,031) in that month ever recorded, comparing with \$84,124,975 in September 1904 and \$81,816,642 in 1903. Moreover speculation

is rife and there are signs of its becoming a formidable barrier to free exports. Notwithstanding the large crops, agricultural exports in September were only \$69,077,377, against \$72,523,247 in September 1904; exports other than agricultural showed, however, an increase, the total being about 67 million dollars, against 61 $\frac{3}{4}$ million dollars in September 1904, bringing up the total exports in September 1905 to a favorable comparison with the same month of 1904. These data, though, tell the story, that although we have large crops and large surpluses for shipment abroad, we are as yet not shipping freely. We are thus made to face the fact stated above that speculation is at present a formidable barrier to free exports. We need hardly say that if this spirit continues to be so eager as to lead us to keep our surpluses instead of marketing them—an experience which is not new to us—our trade balance must suffer correspondingly. The proposal referred to above, to transfer from the Sub-Treasury 20 millions of currency to depositary banks would, if carried out, have a tendency to further cultivate speculation. And yet a fairly firm state of money is at present a desirable condition; for it would favor lower foreign exchange and perhaps serve to check the growth of the feverish condition of our agricultural commodity markets.

The financial situation abroad has become a little less strained in some particulars as the week nears its close. That is especially true of London, where the scarcity of money is less of a feature. According to the weekly return of the Bank of England, there has been an addition of \$3,200,000 to the gold holdings and \$5,400,000 to its cash reserve. Bar gold, which had been marked up to 77s. 10d., and American eagles to 76s. 5d., were reduced Thursday $\frac{1}{4}$ of a penny, to 77s. 9 $\frac{3}{4}$ d. for bar and 76s. 4 $\frac{3}{4}$ d. for eagles. The Bank of Germany also in its weekly return showed an addition of \$8,045,000 to its cash, and discount rates at Berlin fell $\frac{1}{8}\%$. The situation in Europe has led to considerable sales during the week of American securities at our Stock Exchange on London account. The above-mentioned advance in the price of gold bars and eagles was assisted by the Bank of England, with the object of securing supplies of the metal in transit. The efficiency of the measure may be assumed or the decline would not have taken place. With the gold en route marketed in London, instead of being obtained by Continental bankers, the normal conditions would be restored and the tension in discounts at the British capital would subside, as appears to have happened. The sharp rise in foreign exchange has led to the opinion in some circles of an immediate export of gold. Though that result is possible, it is not likely at present. If the rate should rise to a close approach to the export point, a sentimental influence upon the monetary situation is presumable, checking the rising tendency for exchange.

The Treaty of Peace which was concluded by Russia and Japan at Portsmouth September 5th was signed by Emperor Nicholas and the Mikado of Japan October 14. This act, which puts an official end to the war, and gives effect to all the provisions of the Treaty, will be largely memorable for the rescript by the Mikado which accompanied the publication of the Treaty in Tokio. A wiser instrument, advancing

nobler principles of action for the guidance of his people, could not have emanated from the ruler of any country. The Mikado no doubt wrote, chiefly mindful at the moment of the opposition exhibited so openly, and in some cases violently, to the signing of the Treaty. Hence, he begins by stating that the maintenance of peace has always been "the fundamental principle of our international policy" and "the promotion of this high object has, therefore, been our constant aim." But he adds, "last year, for reasons dictated by the necessity of self-preservation, we unfortunately were forced into hostilities with Russia." Further on, after speaking modestly and briefly of Japan's vigorous prosecution of the war and the cheerfulness with which the people met the hardships and sacrifices the exigencies of the case called for, and bore the heavy burden of national expenditure the war has entailed, he adds, we have thereby achieved "a glorious success." "After twenty months of war the position of the empire has been strengthened and the interests of the country advanced." All that having been secured, and in "so much as we have never wavered in our desire for the maintenance of peace, it is contrary to the controlling principle of the empire that hostilities should be protracted and that our people should unnecessarily be subjected to the horrors of war."

In the foregoing we have the whole explanation of the Japanese Government's action in beginning and in so summarily closing the war. Self-preservation forced the nation into hostilities; the purpose in the settlement reached was to get all it was entitled to; but better and higher than that was the Mikado's determination to get peace. He closes by strongly admonishing his subjects against manifestations of vainglorious pride and commands them to attend to their lawful avocations and do all that lies in their power to strengthen the empire. Some people assume to think that the sympathies of the United States for Japan in the war were based on an expectation of commercial gain for our nation, and express disappointment now that they find Japan, like every other Power, is earnestly endeavoring to attain for itself success in peaceful pursuits. That is a wrong stand entirely. Sympathy during the contest was the outgrowth of the fact that Japan was fighting, as the Mikado says, for self-preservation; there was nothing sordid about the sentiment. We knew all the time that Japan was an industrious, ingenious, economical worker; that she was certain to succeed in commercial affairs and would prove a sharp competitor. Our people only ask an even chance.

The fact that some new interests have recently gained representation on the board of directors of the Wisconsin Central Railway Company—without, however, disturbing the management of the property or altering its policy in any degree—gives special interest to the annual report of the company issued the present week. It will be recalled that the voting trust in the stock of the company expired July 1 last year, thus reinstating the shareholders in their voting rights and making it possible for the interests referred to to buy enough stock in the market to entitle them to representation on the board. The company's annual report shows that the results for the twelve months were on the whole quite satisfactory. The gross

earnings increased \$184,707, mainly as a result of an increase in the earnings on iron ore, and this was attended by an augmentation of only \$31,897 in expenses, giving an addition of \$152,810 to the net earnings. The augmentation in expenses was small, notwithstanding enlarged outlays upon maintenance account of \$196,000. But cost of conducting transportation was reduced \$163,000, largely through a saving in the item of fuel, but also as a consequence of increased operating efficiency. On this last point it deserves to be noted that there has been a slow but steady growth in the train-load year by year. In 1900 the average load was 258 tons; in 1901 there was an increase to 260 tons; in 1902 to 287 tons; in 1903 to 304 tons; in 1904 to 308 tons, and now for 1905 the average is up to 317 tons. It will be seen that for the five years the increase in train-load has been over 20%.

A very important development concerning this property is the action taken regarding an extension of the system to Duluth. The report tells us that during the year contracts were entered into for the construction of 45½ miles of road from Owen (a point on the main line, 12 miles west of Abbotsford) to Ladysmith, a station on the "Soo." This line, it is expected, will be opened the coming January. Furthermore, a survey has been made for a line from Ladysmith to Superior and Duluth, a distance of 112 miles, and it is intended shortly to enter upon the construction of this additional piece of road. The work is being done by separate companies, but the Wisconsin Central will finance the undertaking. To secure the necessary funds for the purpose the company created an issue of \$5,000,000 5-year 4½% gold notes dated July 1 1905. Arrangements were made temporarily to borrow \$1,000,000 on notes of the company payable July 1 1906, collaterally secured by \$1,000,000 of said 5-year notes; \$500,000 of this amount was received during the fiscal year and appears in the balance sheet under the title of "Construction Loans." A line to Duluth seems a natural extension for the Wisconsin Central, and it will doubtless serve to bring a considerable amount of new business to the road.

At the annual meeting of the stockholders of the Illinois Central Railroad Company this week, President Stuyvesant Fish presented some interesting statistics showing the great development of the property since he became a director in 1876. For the fiscal year ending June 30 1905 gross earnings were more than seven times those of the year 1876, the comparison being \$49,508,649, against \$7,040,969. Growth of traffic has been in a yet greater ratio, the number of passengers carried one mile having increased more than eleven times, the aggregate now being 583,481,895, against only 51,238,031 in the earlier year. The freight movement one mile has expanded fully twenty fold, the aggregate for the late year being 5,559,139,454 tons, against no more than 264,602,314 tons for 1876. In this interval the outstanding capital stock of the company has been increased from \$29,000,000 to \$95,040,000, the \$66,040,000 of new stock having been paid for in cash. The most interesting statement, however, as it appears to us, made by Mr. Fish was that in this same period of time the sum of \$32,994,878 has been taken from earnings applicable to dividends and applied to the betterment of the property and the

creation of various funds. We say this is the most interesting statement made by President Fish because it illustrates the policy pursued in the management of this great property as well as of so many other railroad companies in the United States and which has been attended with such gratifying results. If the funds had been provided through new capital issues, either stock or bonds, instead of from earnings, the company would to-day have to earn a return on this enlarged capitalization. At 6% per annum this would call for an additional yearly charge of \$2,000,000—that is, the company would have to earn \$2,000,000 more net each year in order to make a return on such capitalization. The money having been provided out of earnings, the company saves the \$2,000,000 a year. And who gets the benefits? Obviously the public. The company being obliged to earn that much less money, shippers get their freight moved for correspondingly lower figures. But this has not been the only advantage to the public. The \$32,994,878 of money taken from earnings has gone to provide increased accommodations and facilities for moving traffic, thereby cheapening the cost of transportation, and shippers have been getting the benefit of this too in still further reductions in rates. The Illinois Central is simply one large railroad system. Many other companies have been pursuing the same enlightened policy. Applying similar computations to these other roads, it will be seen the saving to the users of the roads has been enormous, and indeed we refer to some very striking results to-day in the case of the Great Northern Railway in reviewing that company's annual report in an article on a subsequent page. Bearing all this in mind, it can hardly be denied that the prosperity of the railroad carrying industry in the United States rests upon pretty sure foundations.

There was no change in official rates of discount by any of the European banks this week; compared with last week open market or unofficial rates were $\frac{1}{8}$ of 1% higher at London and at Paris. It is reported that arrangements are being made at St. Petersburg for the flotation of the new Russian loan.

The feature of the statement of the New York Associated Banks last week was the loss of \$2,350,800 in cash instead of a gain, as was estimated from the traceable movements of money. Loans were contracted by \$29,456,600 and deposits were reduced \$33,104,100. The required reserve decreased \$8,276,025 and the surplus increased \$5,925,225 to \$10,211,400. The bank statement of this week should reflect, among other items, the transfer hence to New Orleans, for the relief of a bank upon which a run was being made, of \$1,570,000, and to Cincinnati of \$100,000; the transfer hither from San Francisco of \$700,000 gold; also the receipt of \$575,000 imported gold from London (which was in transit last week, though not reported. Exchanges of refundable bonds for 2% consols have thus far amounted to \$25,206,400.

There was some relaxation in the monetary tension this week. The payments on Monday of the balance due, amounting to about \$20,000,000, on the final instalment for the Japanese bonds, which were negotiated in July last, was effected without derangement to the market, and the money was promptly loaned,

contributing to a fall in the call loan rate to 3%. Later in the week the demand for day-to-day money was freely met by the larger banks, and the tone was comparatively easy thereafter. There was very little demand for short-time loans and offerings of funds for the longer periods were fairly liberal. Money on call, representing bankers' balances, loaned at the Stock Exchange during the week at 6% and at 3%, averaging about $4\frac{3}{4}$ %; banks and trust companies loaned at 5% as the minimum. On Monday loans were at 6% and at 3%, with the bulk of the business at $5\frac{3}{4}$ %. On Tuesday transactions were at $5\frac{3}{4}$ % and at $4\frac{1}{2}$ %, with the majority at 5%. On Wednesday loans were at $5\frac{1}{4}$ % and at 4%, with the bulk of the business at $4\frac{1}{2}$ %. On Thursday transactions were at 5% and at $4\frac{1}{2}$ %, with the majority at $4\frac{3}{4}$ %. On Friday loans were at 5% and at 3%, with the bulk of the business at $4\frac{3}{4}$ %. Time contracts on good mixed Stock Exchange collateral were 5@ $5\frac{1}{4}$ % for sixty and $4\frac{3}{4}$ @ 5% for ninety days, with few transactions; at $4\frac{3}{4}$ % for four and $4\frac{1}{2}$ @ $4\frac{3}{4}$ % for five to six months. Commercial paper was quiet at 5% for sixty to ninety-day endorsed bills receivable, 5@ $5\frac{1}{4}$ % for prime and $5\frac{1}{2}$ @6% for good four to six months' single names.

The Bank of England rate of discount remains unchanged at 4%. Though there were some expectations early in the week that the rate would be raised, it later appeared that the Bank had obtained full control of the situation, and, through its influence, the price of gold bars had been advanced in the bullion market to 77 shillings 10 pence per ounce, thus preventing the diversion of incoming gold to the Continent; on Thursday the price was reduced to 77 shillings $9\frac{3}{4}$ pence and on Friday to 77s. $9\frac{3}{4}$ d. A rise of $2\frac{1}{2}$ centimes in the rate for exchange at Paris on London probably had some influence upon the Bank Governors, causing them to leave the rate of discount unchanged. The cable reports discounts of sixty to ninety day bank bills in London 4@ $4\frac{1}{8}$ %. The open market rate at Paris is $2\frac{7}{8}$ @3% and at Berlin and Frankfurt it is $4\frac{1}{4}$ @ $4\frac{3}{8}$ %. According to our special cable from London, the Bank of England gained £652,261 bullion during the week and held £32,162,965 at the close of the week. Our correspondent further advises us that the gain was due to imports of £261,000 (wholly bought in open market), to exports of £53,000 (of which £25,000 to Egypt and £28,000 to Paris), and to receipts of £444,000 net from the interior of Great Britain.

The foreign exchange market was quite strong this week, influenced by a demand to cover maturing finance bills and also for drafts for delivery on contracts, which drafts, because of the unexpected scarcity of bills, could not be procured; the contractors were therefore compelled to purchase at the market the bills with which to meet their engagements. Bankers who had not made provision for their maturities of finance drafts, through contracts for sight for cover, were urgent in their requirements, not only because of the strong tone for exchange, but for the reason that there was much uncertainty regarding immediate future supplies; moreover it was considered as unlikely that there would be material relaxation in the discount tension abroad, and conse-

quently, even if it were possible to extend their obligations, such a course might not be advantageous. Those bankers who had made provision for cover through contracts for delivery this week were protected because of their ability to enforce deliveries and compliance with this requirement by the contractors intensified the urgency in the demand for bills. The inquiry was chiefly for sight drafts, though cables were also in request, and the rise in the former was, compared with rates at the beginning of the week, one cent per pound sterling by Friday; at the same time long advanced three-quarters of a cent and cables 65 points. On Friday there were indications of a forthcoming supply of cotton bills, which caused a slight recession in rates for sight, but the undertone was strong and the demand so urgent that there was a prompt recovery. The absence of change in the Bank of England rate contributed to a more confident feeling and it was regarded as probable that after the October maturities of finance bills were provided for, as they would be early next week, more normal conditions would prevail. The fact that comparatively few finance bills would fall due in November and expectations that there would then be more liberal offerings of commodity drafts seemed to give some assurance of lower rates for exchange in the near future. It was reported that part of the demand for sight bills was due to remittances of a portion of the balance, which was paid this week, on the Japanese loan. No inquiry for this purpose could, however, be traced, and it was stated that no remittance of this money would be made, at least until early next year. It would seem, therefore, that the chief reason for the week's strength in exchange was the demand above noted for covering finance bills; possibly also there may have been remittances on account of sales by Europeans of securities. There was an arrival of \$315,000 gold on Saturday of last week and of \$260,000 on Tuesday, representing importations from London which had not previously been reported. This makes the total of such imports since September 12th \$8,780,000. Gold received at the Custom House during the week \$623,531.

Nominal quotations for sterling exchange are 4 83@ 4 83½ for sixty days and 4 86½@ 4 87½ for sight. The market was firm and moderately active on Saturday of last week at an advance, compared with the previous day, of 5 points for long, to 4 8225@ 4 8240, and of 10 points for short and for cables, to 4 8575@ 4 8585 for the former and to 4 8635@ 4 8640 for the latter. On Monday the tone was strong and 10 points higher for long at 4 8235@ 4 8250, of 25 points for short at 4 86@ 4 8610 and of 25 points for cables at 4 8660@ 4 8670. On Tuesday there was a rise of 25 points all around, long to 4 8250@ 4 8275, short to 4 8625@ 4 8635 and cables to 4 8685@ 4 8695. On Wednesday there was an advance of 15 points all around, long to 4 8265@ 4 8285, short to 4 8640@ 4 8650 and cables to 4 87@ 4 8710. On Thursday long rose 10 points to 4 8275@ 4 8285, short 5 points to 4 8645@ 4 8650 while cables were unchanged. The tone was strong on Friday at an advance of 15 points for long, of 20 points for short and of 25 points for cables.

The following shows daily posted rates for sterling exchange by some of the leading drawers:

		Fri. Oct. 13.	Mon. Oct. 16.	Tues. Oct. 17.	Wed. Oct. 18.	Thurs. Oct. 19.	Fri. Oct. 20.
Brown	60 days	4 82¼	82½	83	83	83	83½
Brothers & Co.	60 days	4 86½	86½	87	87	87	87½
Barings	60 days	4 83	83	83	83½	83½	83½
Mazou & Co.	Sight	4 86½	86½	86½	87	87	87
Bank British	60 days	4 83	83	83	83	83	83
North America	Sight	4 86½	86½	87	87	87	87
Bank of	60 days	4 83	83	83	83	83	83
Montreal	Sight	4 86	86½	86½	86½	86½	86½
Canadian Bank	60 days	4 83	83	83	83	83	83
of Commerce	Sight	4 86½	86½	86½	86½	87	87
Heidelberg, Ickel-	60 days	4 82½	82½	83	83	83	83
heimer & Co.	Sight	4 86½	86½	87	87	87	87½
Lazard	60 days	4 82½	82½	83	83	83	83½
Freres	Sight	4 86½	86½	87	87	87	87½
Merchants' Bank	60 days	4 83	83	83½	83½	83½	83½
of Canada	Sight	4 86½	86½	87	87	87	87

The market closed on Friday at 4 8290@ 4 83 for long, 4 8665@ 4 8670 for short and 4 8725@ 4 8730 for cables. Commercial on banks 4 8250@ 4 8265 and documents for payment 4 82¼@ 4 83¼. Cotton for payment 4 82¼@ 4 82¾, cotton for acceptance 4 8250@ 4 8265 and grain for payment 4 83½@ 4 83¾.

The following gives the week's movement of money to and from the interior by the New York banks:

Week ending Oct. 20 1905.	Received by N. Y. Banks.	Shipped by N. Y. Banks.	Net Interior Movement.
Currency	\$5,282,000	\$5,396,000	Loss \$114,000
Gold	747,000	1,519,000	Loss 772,000
Total gold and legal tenders	\$6,029,000	\$6,915,000	Loss \$886,000

With the Sub-Treasury operations the result is as follows:

Week ending Oct. 20 1905.	Into Banks.	Out of Banks.	Net Change in Bank Holdings.
Banks interior movement as above	\$6,029,000	\$6,915,000	Loss \$886,000
Sub-Treasury operations	26,700,000	23,700,000	Gain 3,000,000
Total gold and legal tenders	\$32,729,000	\$30,615,000	Gain \$2,114,000

The following table indicates the amount of bullion in the principal European banks:

Bank of	October 19 1905.			October 20 1904.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England	32,162,965	£	32,162,965	36,853,115	£	36,853,115
France	116,784,264	43,009,612	160,720,576	104,434,980	44,025,006	148,460,886
Germany	29,526,000	9,842,000	39,368,000	31,067,000	10,916,000	41,983,000
Russia	115,370,000	4,324,000	119,694,000	97,746,000	7,232,000	104,978,000
Aus-Hung	45,541,000	12,065,000	57,606,000	48,248,000	12,089,000	60,337,000
Spain	14,961,000	22,389,000	37,350,000	14,817,000	20,044,000	34,861,000
Italy	24,824,000	3,222,000	28,046,000	22,041,000	3,424,500	25,465,500
Neth Fds	6,599,400	5,943,000	12,542,400	5,494,900	6,055,300	11,550,200
Nat. Belg.	3,196,667	1,598,353	4,795,000	3,250,667	1,625,353	4,876,000
Tot. week	388,965,296	103,317,945	492,283,241	363,952,662	105,412,039	469,364,701
Tot. prev.	386,899,891	104,115,982	491,015,873	362,220,866	105,280,788	467,501,654

a The division (between gold and silver) given in our table of coin and bullion in the Bank of Germany and the Bank of Belgium is made from the best estimate we are able to obtain; in neither case is it claimed to be accurate, as those banks make no distinction in their weekly returns, merely reporting the total gold and silver; but we believe the division we make is a close approximation.

b The Austro-Hungarian Bank Statement is now issued in Kronen and Heller instead of Gulden and Kreuzer. The reduction of the former currency to sterling Pounds was by considering the Gulden to have the value of 50 cents. As the Kronen has really no greater value than 20 cents, our cable correspondent in London, in order to reduce Kronen to Pounds, has altered the basis of conversion by dividing the amount of Kronen by 24 instead of 20.

THE RUSSIAN LOAN.

During the present tight-money episode on the European markets, much has been said of the possible influence of the impending Russian loan. Since some more or less definite information has been given out this week regarding that coming transaction, it will be worth while to examine into it. The facts unofficially announced in Paris are that the contemplated loan is for 1,800,000,000 francs, of which one-half will be placed in France, the balance in England, Germany, Holland and the United States. If, however, participation by these outside markets should not be obtained, Russia's application would be reduced to 1,000,000,000 francs, all to be placed in France. According to the same source of information, the new loan will bear four per cent and will be placed around 90. Since the outstanding Russian four per cents now command 93 on the London market, it will be seen that the usual concession for a new loan is granted. The figures given are of course subject to the usual allowance for informal and unofficial forecasts.

Two questions arise in connection with this proposed operation. One is, why Russia should at this time need to borrow any such sum as the proposed \$360,000,000; the other, what the effect of the transaction will be on Europe's market. As regards the first of these questions, it must be observed that the war loans issued by the Russian Government were wholly in the form of short-term bonds. At the beginning of the war the Paris bankers deliberately adopted the policy of refusing to lend to Russia on perpetual bonds in the form of those already outstanding—the argument of the bankers being that extensive creations of new securities, identical in form with those already in the market's hands, would probably be more disturbing to values than the issue of temporary obligations. Subscriptions made by the Paris market during 1904 were for bonds with a five-year maturity. The loan placed in Berlin was similar in its terms; there were also, toward the close of the war, some borrowings on the German market on a security of nine months' notes of the Russian Government. Some of these obligations, therefore, must be redeemed next year; others will fall due a few years hence; all would probably benefit at this time by conversion into the standard form of Russian securities.

In other words, there is no doubt that the loan applied for is in large degree merely for conversion purposes. It would also, and naturally, provide for the closing expenses of the war, including the moderate indemnity paid to Japan for maintenance of Russian prisoners. One reason why the necessity for a large loan at this time has not seemed obvious to every one, is that the stock of gold in Russia's hands is unusually large. Gold in the vaults of the Imperial Bank, for instance, stands more than \$30,000,000 beyond its total of a year ago. Gold balances standing to Russia's credit on outside markets foot up to \$125,000,000 by the report last at hand, and this compares with \$60,000,000 a year ago and with \$23,000,000 in May of 1904.

It would thus appear that the Russian Government is unusually well equipped to meet the demands upon its treasury. There is, however, this much to be said regarding that phase of the situation. The balances on outside markets are invariably drawn down when the heavy quarter-day payments on Russia's external debt fall due. As for the gold in the Imperial Bank, the comparison with last year shows that its \$30,000,000 increase is considerably more than offset by the \$150,000,000 increase in the note circulation of the bank. No doubt these outstanding notes might profitably be reduced, and this may be done on the army's return—one of the principal arguments for the increase in note issues having been the need of such currency for circulation in Manchuria. It is, however, an open question whether the Russian Government may not deliberately adopt the policy of "nursing" its gold reserve. It would not be strange if the war experience were to make all that stock of gold something of a political fetish.

All statements regarding the Russian loan make account of the doubt as to whether other markets than Paris will subscribe. We should suppose that absorption of half this loan by the English, German, Dutch and American markets would be extremely improbable. Under ordinary circumstances, Berlin might become a very large subscriber, but the condition of

the Berlin market at the moment hardly warrants belief in very extensive operations of this sort. England, according to advices from that country, may subscribe through its bankers for a moderate amount; but while conceding this, forecasts are pretty careful to point out that the public will not take the bonds. Apparently that would mean rather quick return of the Russian bonds to Paris. As for the United States, we see no reason why a Russian offering should meet with any different reception than it did four years ago. At that time, it will be recalled, our insurance companies took a moderate amount of the Russian four per cents; the public practically none. Although listed since that time on the New York Stock Exchange, the bonds have never been traded in. All things considered, we should imagine that such strain as will ensue from this Russian financing operation must be endured by Paris. It is fortunate that the French market is in the best position to sustain it.

THE GREAT NORTHERN POLICY AND ITS PROSPERITY.

In view of the agitation of the question of Federal control of railroad rates, it seems perfectly natural and proper that President Hill in the company's present annual report should have incorporated a table comparing present railroad freight rates on that system with those prevailing two decades ago, and undertaken to show the benefits that have resulted to shippers and the communities served from the great reduction effected in these rates in this period of time. In the late fiscal year a further decline occurred in the average rate realized on the lines embraced in the Great Northern system, this average having dropped to 7.92 mills per ton per mile. For a system located as is the Great Northern, having a large amount of mileage running through the newer and therefore sparsely settled sections of country, this, it will be admitted, is a very low average rate, and of course it is the lowest ever reached in the company's history.

At 7.92 mills the figure compares with an average per ton per mile in 1881 of 28.80 mills—in other words, 2.88 cents. Thus the present rate is considerably less than one-third that of twenty-four years ago. In the table in the report to which we refer it is shown that had the rates realized in 1881 prevailed in 1905, the revenue collected from the tonnage moved would have been \$120,100,626, as against the \$33,013,722 revenue actually collected. In other words, there was a saving to shippers on the tonnage moved in 1905 of \$87,086,904. Making similar computations of the saving to shippers on the tonnage of preceding years, it is found that the aggregate saving to shippers for the twenty-four years since 1881 has reached the enormous sum of \$676,983,820.

It has been urged that the tonnage to-day comprises a much larger proportion of the bulky classes of freight, that is those bearing the lowest rates. Granting that, this does not change the fact that taking the freight as a whole the company is moving it for a compensation of only 7.92 mills, whereas in 1881 the compensation received was 28.8 mills. It is also true that, except for the reduction in rates, the tonnage could never have reached its present proportions. It would have been unprofitable for shippers to ship goods at the former high rates. It was the reduction in rates that made the large tonnage possible. This,

however, is the same as saying that the Great Northern system, through a wise policy in lowering rates, has built up sections of country which except for such policy must have remained undeveloped; has fostered and promoted industrial growth, and invited an influx of population under which new communities have risen and the welfare of the whole territory furthered.

But whether or not one accepts the figures given as conclusive on the point of the benefits to the communities served, no one who has watched events in recent years can have any doubt that Mr. Hill has sought in every possible way to promote industrial growth, to build up new industries, and to stimulate expansion in population. As is well known, the Great Northern, or rather the St. Paul Minneapolis & Manitoba, in which the Great Northern had its origin, did not originally possess a line to the Pacific Coast. The Northern Pacific for a considerable time was the only transcontinental line running through the northern part of the United States. Indeed, the Manitoba was originally a distinctly local property. Mr. Hill showed his purpose and object by extending it across the Continent to the Pacific Ocean. He was hailed as a great benefactor for the action, and yet this was only one step in a general policy which has been consistently adhered to, of creating tonnage and traffic by making rates low enough to bring the traffic into existence. Competition at times may have accentuated the tendency toward rate reductions, but in the main this lowering of rates has been the result of voluntary action.

We may refer to the present report itself for illustrations of some recent voluntary reductions in rates—covering, say, only the last fifteen months. July 10 1904 rates on hemlock, larch and spruce lumber and various articles manufactured therefrom, shipped from the Pacific Coast, Spokane, Sand Point and Kalispell districts to Eastern terminals were reduced 20%. August 1 1904 rates to Spokane were revised, making through commodity rates from points east of Chicago in order to allow Spokane merchants to distribute to points within a radius of 100 miles from that city on equal terms with the Pacific Coast. On Feb. 15 1905 rates on emigrant movables from Eastern terminals to Spokane were reduced one-third and to the Pacific Coast one-half, for the purpose of encouraging the movement of colonists, the reduced rates remaining in force for three months. The reader will also recall the cuts in rates made within the last few months, the company having on Sept. 1 1905 put into effect a new grain tariff reducing grain rates from practically all stations in Minnesota and all stations in North Dakota and South Dakota from one-half cent to 5 cents per hundred weight, the average reductions from stations in northern Minnesota and North Dakota being two cents per hundred weight.

The various new branches and extensions that have been built and those which are now under construction have the same purpose in view, that of inducing growth of population and industrial advancement. Thus, the report tells us that the movement of settlers into North Dakota has continued, and large areas of lands are each year being brought under cultivation. It is added that the several branch lines which the company is building in North Dakota will materially assist in the development of the northern part of that State.

The Great Northern Company, while advancing the welfare of the communities served, has of course promoted its own prosperity. To one not acquainted with the policy pursued, it might seem strange that a road having only a thinly settled country to draw upon for considerable portions of its mileage should have found it possible to grant such low rates and yet make a profit on the business. But one need not go very far in his search to find the reason for such success. We have already seen how every effort has been made to stimulate new enterprises and to induce influx of settlers. But the company's operating methods have been directed to the same end, that is, have been directed to making it possible as a railroad proposition to move business at low rates—viz., at a steadily diminishing cost per unit of service. On the one hand the burden of fixed charges has been kept low by avoiding inflation of capital and on the other hand large amounts of earnings have been used to improve the property instead of being distributed in the shape of extra dividends. The bonded debt has been kept at a very low figure per mile of road, the policy in recent years having been to provide new capital almost entirely through the issue of new stock—as witness the \$25,000,000 of new stock now being offered to shareholders at par.

Still another element in the success attained must be mentioned, the operating methods pursued. In this respect the position of the Great Northern under Mr. Hill has been unique. Long before similar efforts were made in other parts of the country, even on the most skilfully managed roads, Mr. Hill on his system attained results which attracted universal attention. Indeed, through his operating methods he was able to run his road so cheaply that at first certain critics did not hesitate to express doubt as to whether the road was being kept in proper repair. These critics have been silent now for some years. Mr. Hill's particular care has been the train-load. A heavy train-load presupposes a good roadbed, powerful locomotives and equipment of large capacity. But it also requires skill in management.

The most striking fact is that as the prosperity of the road increased, the efforts at enlarging the train-load were not relaxed, but rather further strengthened. Take the latest year for illustration. The results in the particular mentioned, as revealed in the present annual report, are almost marvelous. Large though the train-load was before, there was a further addition to the average of over 75 tons, bringing this average up to the prodigious figure of 522 tons. We say "prodigious" because with a system having a large amount of branch mileage and a large amount of tonnage on which the movement is strongly in one direction (thus rendering it difficult to keep the trains filled in opposite directions) no other expression fits the situation.

The effect upon the operating expenses of this further addition to train-load was very marked. With \$3,468,735 increase in gross earnings, the addition to expenses was no more than \$847,564, and the whole of the increase in expenses occurred in the outlays upon maintenance account. Expenditures for maintenance of equipment increased \$610,438 and expenditures for maintenance of way and structures increased \$487,925, charges to both these accounts having been very liberal. But cost of conducting

transportation actually decreased \$277,024 in face of the fact that the number of tons of freight moved one mile increased over 24%. Vice-President L. W. Hill, who now furnishes most of the details of operation, points out that the decrease in cost of transportation was effected notwithstanding there was a material increase in the cost of station service due to more stations and additional force to care for local traffic and increase in the rates of wages paid. He lays great stress upon the permanent work done in previous years as having made the achievement possible.

One other matter deserves to be brought out. We have stated above that large amounts of earnings have been devoted to the improvement of the property. Out of the late year's income \$3,000,000 was applied in that way and out of the previous year's income \$2,000,000. The balance sheet shows a total of \$14,695,108 deducted up to June 30 1905 from income to provide for future improvements and renewals, while at the same time there was an accumulated credit balance to profit and loss for the Great Northern and its various proprietary and leased roads amounting to \$22,767,569, which must be considered as the equivalent of cash put into the property in one shape or another. This is a very prosperous record and, as we have shown, the patrons of the road have shared in the benefits.

We need hardly say that the income exhibit for the twelve months is flattering in the extreme. After setting aside \$3,000,000 as a contribution to the fund for permanent improvements and renewals, a surplus balance remained on the operations of the twelve months over fixed charges and expenses in amount of \$11,815,176. Income from investments added \$2,380,560 more, bringing the total up to \$14,195,736. The call for the 7% dividends paid was \$9,058,360, besides which there was one other deduction of \$364,500, leaving a balance for the year over all charges and dividends in amount of \$5,137,376.

THE ROCK ISLAND COMPANY REPORT.

The Rock Island Company had unfavorable conditions to contend against in the late fiscal year, and that fact of course is reflected in the results. In the previous fiscal year, it will be recalled, conditions had also been unfavorable; though in that period of twelve months there was an increase of \$592,871 in the gross earnings, there was a loss in net earnings in the large sum of \$3,122,857. No part of this loss was recovered in the year under review. In fact, there was a further loss in net in amount of \$201,298, while at the same time there was a falling off in the gross earnings in the sum of \$917,982.

These figures refer to the operations of what is known as the Rock Island System, comprising the lines operated by the Chicago Rock Island & Pacific Railway Co. The Rock Island Company as distinct from the Chicago Rock Island and Pacific Railway Co. is simply a holding company, it owning the entire capital stock (except directors' shares) of the Chicago Rock Island & Pacific Railroad Co., which in turn owns the greater part of the capital stock of the Chicago Rock Island & Pacific Railway Co. already referred to. The Rock Island Company also holds control (through the ownership of 288,819 shares of common stock) of the St. Louis & San Francisco Railroad

Co. In the present article we shall confine ourselves entirely to the operations of the Rock Island System, deferring until another week review of the report of the St. Louis & San Francisco Railroad Co. Results on the Rock Island Company are not in any event affected by the showing of the San Francisco Co., since that company is paying no dividends on its common shares and the Rock Island Company is therefore not receiving any income from its investment in that property.

We say the conditions during the twelve months were unfavorable. The reason in the first place is that the territory served by the lines of the system is dependent very largely upon the agricultural outturn and this agricultural outturn in the Southwest during the season of 1904 was not good—though of course crops were not an absolute failure. As illustrating the deficiency of the harvest at that time, the grain tonnage of the Rock Island was reduced 140,614 tons and the flour tonnage 30,351 tons more. There were likewise losses in other directions—the tonnage in lumber and forest products, for instance, having shrunk 110,855 tons. Then, also, losses in certain classes of traffic sustained the previous year were not recovered, or only in part recovered. Some classes of freight, it is true, did increase, but altogether the freight tonnage of 1904-05 aggregated only 13,515,367 tons, against 13,567,817 tons in 1903-04. The tonnage movement one mile was reduced (revenue freight) from 3,250 millions to 3,171 millions. As a result, freight earnings fell off no less than \$1,504,620, and this loss in the freight business would have been more seriously felt except for the expansion in the earnings from passengers, mail and express. Still, notwithstanding the gains in these departments, gross earnings from all sources, as already stated, declined \$917,982.

There was, however, still another serious drawback, namely floods and adverse weather generally in the Southwest. During January and February, for instance, gross earnings decreased \$632,729, being about two-thirds of the decrease for the entire year. It was in those months especially that extremely unfavorable weather conditions, almost without precedent, caused serious and costly interruption of traffic.

Owing to the shrinkage in income, as a result of the circumstances mentioned, the Chicago Rock Island & Pacific Railway paid dividends of only $6\frac{1}{4}\%$, as against 8% the previous year. The Rock Island Company in turn, having received less in dividends and having somewhat larger interest charges to meet on the outstanding bonds of the Chicago Rock Island & Pacific Railroad, had to draw on accumulated surplus to a small extent in order to meet the 4% dividends which are being paid on Rock Island Company preferred shares. Taking the combined statement of the Rock Island Company and the Chicago Rock Island & Pacific Railroad Co., available income for the twelve months was \$1,826,108 and the call for the 4% dividends \$1,950,210. Accumulated surplus, therefore, which June 30 1904 had been \$185,145, was drawn down to \$61,043 on June 30 1905.

Fortunately conditions during the current or new fiscal year promise to be much more favorable. This is particularly true regarding the agricultural outlook—and in a very marked degree. The wheat crop in the Southwest the present year is much larger than that of last year, and in addition the corn crop will be heavy. Our readers may remember that

in the extensive investigation into crop conditions made by the Commercial National Bank of Chicago in August last, it was pointed out that in Missouri, Kansas, Oklahoma and Indian Territory—the principal States in the Southwest—the condition of corn was exceptionally good, each of those States reporting increases varying from 30% to 47% over last year. Furthermore, stress was laid on the fact that such splendid prospects had not happened simultaneously for two decades or more. Usually, when there has been an abundant crop of corn in Missouri, that of Kansas has been short, and vice versa. This year they have "hit it off together" and, with their neighbors to the South, will have a "bumper" crop.

The financial transactions of the year were decidedly important. The total of first and refunding mortgage bonds of the Chicago Rock Island & Pacific Railway Co. issued was increased by \$24,414,000—from \$19,274,000 to \$43,688,000. In the amount outstanding in the hands of the public the increase was really \$32,438,000, for the whole of the \$19,274,000 of these bonds issued the previous year was still unsold at the end of the year, while of the \$43,688,000 issued June 30 1905 only \$11,250,000 remained unsold in the treasury. It will be remembered that a sale of \$25,438,000 of these bonds was made last December and a further sale of \$7,000,000 in April 1905. As against the increase in the first and refunding bonds, some of the temporary obligations which appeared a year ago have been retired. For instance, the \$4,500,000 collateral trust notes and the \$5,000,000 one-year notes have been retired.

Furthermore, the Chicago Rock Island & Pacific Railway made some important acquisitions during the year. It bought 187,900 shares of the capital stock of the Chicago & Alton Railway Co. at a cost of \$10,000,000. Of the total, 44,700 shares consist of preferred stock and 143,200 shares of common stock, the combined amount being somewhat less than one-half of the issued and outstanding stock of the Chicago & Alton. President Winchell, in referring to the purchase, says it is believed that this large interest in that company "will prove a profitable investment by way of securing an advantageous interchange of traffic and mutual co-operation between the Chicago & Alton and the Rock Island owned and affiliated properties."

Through the issue of its first and refunding bonds, the Chicago Rock Island & Pacific Railway Co. was also able to take \$4,500,000 of equipment gold bonds of the Rock Island Improvement Co. Furthermore, the company acquired all of the issued and outstanding capital stock of the Arkansas Southern Railroad Co., which appears to be a very prosperous little road operating 101 miles of line. The company likewise purchased during the year \$2,500,000 of the 5% bonds (which latter were subsequently marketed) and \$2,400,000 of the capital stock of the Consolidated Indiana Coal Co., owning valuable coal properties in Indiana, Illinois and Iowa. It is stated that the future coal supply of the lines of the system has thus been safeguarded, while the traffic of these lines is sure to be benefited by this ownership. From the balance sheet it appears that the Rock Island System is plentifully supplied with cash. The current liabilities June 30 1905 were \$6,484,914 and the deferred liabilities \$2,119,758, making \$8,604,672; as against this the current assets (not counting \$5,403,928 of mate-

rials and supplies on hand) aggregated \$20,466,184, of which \$8,720,513 consisted of actual cash.

RAILROAD GROSS AND NET EARNINGS FOR AUGUST.

Our compilations of the gross and net earnings of United States railroads for the month of August shows \$10,987,091 increase in gross, or 9.63%, and \$2,721,032 increase in net, or 6.72%, as compared with the corresponding month last year. And this improvement is participated in by all but a small body of roads, though among these latter there are some which have sustained quite heavy losses. The reason for the falling off in these instances is found in two main causes, either (1) the absence of the passenger traffic to the World's Fair at St. Louis, which was a feature in 1904, or (2) the embargo upon traffic resulting from the yellow fever at New Orleans and some other points in the Gulf States.

	August, (85 roads.)			January 1 to August 31. (89 roads.)		
	1905.	1904.	Inc. or Dec.	1905.	1904.	Inc. or Dec.
Gross	125,099,694	114,112,603	+10,987,091	860,301,394	798,787,761	+61,513,633
Exp.	81,897,950	73,631,891	+8,266,059	605,423,436	500,022,818	+45,400,618
Net	43,201,744	40,480,712	+2,721,032	254,877,958	238,764,943	+16,113,015

It should be noted that for August we are not comparing with figures last year that had recorded decreases in earnings. On the contrary, our tabulations in August 1904 showed increases in both gross and net. The increase in the gross then was trifling, amounting to only \$155,892, but the improvement in the net at that time was \$2,254,781, this following from a noteworthy saving in expenses. The large augmentation in expenses disclosed the present year is no doubt connected with this saving last year. In addition, there is always a tendency to be liberal in outlays when earnings are large, and furthermore the cost of operating the roads is all the time being added to through increases in wages and other similar circumstances. The following will show the August totals for a series of years past.

Year.	Gross Earnings.			Net Earnings.		
	Year Given.	Year Preceding.	Increase or Decrease.	Year Given.	Year Preceding.	Increase or Decrease.
Aug. 1896	52,240,197	55,319,991	-3,079,794	17,418,959	19,023,398	-1,604,439
1897	66,842,723	58,687,815	+8,154,908	24,228,620	19,592,169	+4,636,451
1898	77,846,913	76,324,949	+1,521,964	27,942,001	28,189,822	-247,821
1899	81,932,705	70,965,451	+10,967,254	29,730,968	25,290,009	+4,440,959
1900	92,067,423	85,191,125	+6,876,298	33,216,118	31,032,360	+2,183,758
1901	108,575,332	96,440,678	+12,134,654	40,548,771	34,210,061	+6,338,710
1902	105,590,629	102,111,428	+3,479,201	35,928,409	37,776,146	-1,847,737
1903	121,050,739	105,267,446	+15,783,293	41,282,319	35,747,474	+5,534,845
1904	119,821,635	119,605,743	+215,892	43,108,250	40,913,469	+2,254,781
1905	125,099,694	114,112,603	+10,987,091	43,201,744	40,480,712	+2,721,032
Jan. 1 to Aug. 31.						
1896	393,203,060	383,273,176	+9,929,884	116,931,633	114,390,911	+2,540,722
1897	423,330,079	409,582,045	+13,748,034	132,236,014	120,328,688	+11,907,326
1898	537,855,201	491,579,312	+46,275,889	170,062,977	154,608,627	+15,454,350
1899	516,901,578	472,605,134	+44,296,444	164,647,908	147,328,809	+17,319,099
1900	638,873,653	566,623,119	+72,250,534	204,436,624	180,439,830	+23,996,794
1901	669,521,144	605,129,615	+64,391,529	229,445,062	197,778,641	+31,666,421
1902	663,069,452	622,441,790	+40,627,663	214,936,275	206,847,797	+8,088,478
1903	774,778,127	673,253,289	+101,524,838	243,900,572	213,609,764	+30,290,808
1904	804,683,344	686,917	+117,766,427	239,210,616	214,087	+19,333,471
1905	860,301,394	798,787,761	+61,513,633	254,877,958	238,764,943	+16,113,015

Note.—In 1896 the number of roads included for the month of August was 127; in 1897, 135; in 1898, 138; in 1899, 113; in 1900, 129; in 1901, 116; in 1902, 105; in 1903, 114; in 1904, 100; in 1905, 95. We no longer include the Mexican roads or the coal-mining operations of the anthracite coal roads in our totals.

Among the separate roads, the gains, particularly in the gross, are large and numerous. The losses are confined to the classes of roads already mentioned, namely those which have suffered loss of the passenger traffic to the World's Fair and those which have been adversely affected by the yellow fever. There are a few instances of companies which have suffered from both causes. In the net earnings the decreases are slightly more numerous, occasioned by the augmentation in the expense accounts. The Illinois Central has \$249,381 decrease, the Yazoo & Mississippi Valley \$213,130 decrease, the Louisville & Nashville \$179,-

493 decrease, the Chicago & Alton \$136,660 decrease, the St. Louis & San Francisco \$107,390 decrease, the St. Louis & Southwestern \$65,923 decrease, &c. On the other hand the Union Pacific has \$467,478 gain, the Pennsylvania \$436,000 gain, the Southern Pacific \$386,403 gain, &c., &c. Below we indicate all changes for amounts in excess of \$30,000, whether increases or decreases, both in the gross and the net.

PRINCIPAL CHANGES IN GROSS EARNINGS IN AUGUST.

Increases.		Decreases.	
Penna RR (2 rds).....	\$2,519,000	Ft Worth & Den City....	\$50,242
Union Pacific.....	946,646	Minn & St Louis.....	72,239
Southern Pacific.....	812,565	Buff Roch & Pitts.....	71,351
Rock Island System.....	584,778	Chic. Ind'p'ls & Louisv.....	49,195
Phila & Reading.....	538,023	Dul So Shore & Atlantic.....	47,992
Baltimore & Ohio.....	527,735	Pacific Coast.....	39,497
Atch Top & Santa Fe.....	522,698	Cinn New Ori & Tex Pac.....	39,281
Norfolk & Western.....	437,793	Wisconsin Central.....	38,909
Lehigh Valley.....	425,720	Long Island.....	38,589
Canadian Pacific.....	322,496	Buffalo & Susquehanna.....	36,436
Minn St P & S S M.....	306,730	N Y Susq & Western.....	34,188
Erie.....	302,879	Cleve Cin Chic & St Louis.....	32,168
Central of New Jersey.....	268,813	Virginia & Southwestern.....	31,614
Denver & Rio Grande.....	265,284	Kanawha & Michigan.....	31,270
Chicago Mil & St Paul.....	262,351		
Southern Railway.....	216,983	Total (representing 45 roads).....	\$11,465,404
Gr. Trunk of Can (3 rds).....	192,712		
Mo Kansas & Texas.....	191,811		
Louisville & Nashville.....	180,236		
Atlantic Coast Line.....	158,767		
Chesapeake & Ohio.....	147,500	Decreases.	
St Louis & San Fran.....	140,040	Wabash.....	\$22,083
Colorado & Southern.....	105,743	Illinois Central.....	198,373
Central of Georgia.....	101,828	Chicago & Alton.....	136,764
Wheeling & Lake Erie.....	91,246	Yazoo & Miss. Val.....	125,109
Chicago Great Western.....	89,169	Hocking Valley.....	33,682
West Jersey & Seashore.....	82,500		
N Y Ont & Western.....	80,354	Total (representing 5 roads).....	\$723,011

z These figures are for the Railroad Co.; the Coal & Iron Company reports a decrease of \$1,850.

y These figures cover only lines directly operated east and west of Pittsburgh and Erie. The gross on Eastern lines increased \$1,667,600 and the gross on Western lines increased \$851,400.

PRINCIPAL CHANGES IN NET EARNINGS IN AUGUST.

Increases.		Decreases.	
Union Pacific.....	\$467,478	Chicago Great Western.....	\$39,658
Penna RR (2 rds).....	\$436,000	Fort Worth & Den City.....	39,133
Southern Pacific.....	386,403	California Northwest.....	38,125
Canadian Pacific.....	293,715		
Minn St P & S S M.....	237,824	Total (representing 28 roads).....	\$3,588,629
Central of New Jersey.....	237,099		
Lehigh Valley.....	217,321		
Phila & Reading.....	216,455	Decreases.	
Atch Top & Santa Fe.....	157,724	Illinois Central.....	\$249,381
Denver & Rio Grande.....	137,978	Yazoo & Miss. Val.....	213,130
Grand Tr of Can (3 rds).....	97,330	Louisville & Nashville.....	179,493
Norfolk & Western.....	91,011	Chicago & Alton.....	136,660
Wabash.....	90,947	St Louis & San Fran.....	107,390
Buff Roch & Pitts.....	69,355	St Louis So Western.....	65,923
Southern Railway.....	64,763	Nash Chatt & St Louis.....	63,017
Rock Island System.....	62,575	Kansas City Southern.....	50,089
Chesapeake & Ohio.....	60,937	Phila Balt & Wash.....	48,700
West Jersey & Seashore.....	52,700	Hocking Valley.....	39,176
Minn & St Louis.....	46,725	Long Island.....	33,040
Erie.....	45,497		
Baltimore & Ohio.....	44,832	Total (representing 11 roads).....	\$1,185,999
Wheeling & Lake Erie.....	40,114		

z These figures are for the Railroad Co.; the Coal & Iron Company reports an increase of \$16,886.

y These figures cover only lines directly operated east and west of Pittsburgh and Erie. The net on Eastern lines increased \$382,400 and the net on Western lines increased \$53,600.

When arranged in groups, every group of roads records improvement in gross except the Middle Western, which latter with the Southern group forms the only exception in the case of the net earnings. The summary by groups is as follows:

SUMMARY BY GROUPS.

Section or Group.	Gross Earnings.		Net Earnings.		Inc. or Dec.	P.C.
	1905.	1904.	1905.	1904.		
August	\$	\$	\$	\$		
Trunk L (10)	36,992,003	33,648,879	12,501,257	11,785,854	+715,403	6.06
Anth. Coal(3)	9,605,838	8,258,730	4,245,847	3,607,641	+638,206	17.68
East & M (15)	4,955,001	4,665,032	1,871,104	1,751,476	+119,628	6.83
Mid West (13)	7,811,902	7,973,165	2,517,987	2,834,082	-316,095	11.15
Nor West & NorPac (13)	19,007,038	16,838,598	7,422,386	6,289,085	+1,133,301	18.02
So West & So Pac (15)	28,301,509	25,574,957	9,445,166	8,801,551	+643,615	7.31
Southern (24)	18,425,763	17,133,242	5,197,997	5,411,023	-213,026	3.93
Total (95).	125,099,694	114,112,603	43,201,744	40,480,712	+2,721,032	6.72
Mexican (4).	4,397,215	3,040,131	1,445,740	1,219,602	+226,138	18.53
Jan. 1 to Aug. 31.						
Trunk L (10)	262,826,000	243,704,819	71,345,802	68,215,994	+3,129,808	4.58
Anth. Coal(3)	68,709,204	62,811,252	28,436,381	25,154,565	+3,301,816	13.12
East & M (15)	32,950,500	30,596,429	8,544,972	8,446,273	+98,699	1.17
Mid West (12)	52,999,938	52,422,190	13,776,083	14,586,116	-810,033	5.55
Nor West & NorPac (12)	124,865,883	114,181,735	44,285,242	38,079,403	+6,205,839	16.20
So West & So Pac (15)	202,412,621	186,728,616	55,333,289	52,735,741	+2,597,548	4.92
Southern (22)	115,537,148	108,342,720	32,836,189	31,546,851	+1,289,338	4.08
Total (89).	860,301,394	798,787,761	254,877,958	238,764,943	+16,113,015	6.75
Mexican (4).	34,760,711	34,139,351	11,445,718	9,936,850	+1,508,859	15.18

Besides the roads which contribute reports of gross and net earnings, there are some others which make

returns only as to the gross. In the table we now give we show these roads and add their earnings to the total of the gross in the above.

ROADS REPORTING GROSS BUT NOT NET.

August.	1905.	1904.	Increase.	Decrease.
	\$	\$	\$	\$
Reported above (95 roads)	125,099,694	114,112,603	10,987,091	-----
Ala New Ori & Tex Pac.....	191,346	199,281	-----	7,935
New Ori & Nor East.....	84,529	103,061	-----	18,532
Alabama & Vicksburg.....	71,150	108,545	-----	37,396
Vicks Shreve & Pacific.....	180,974	158,335	22,639	-----
California North Western.....	5,361,303	4,929,010	432,293	-----
Chicago North Western.....	1,028,981	977,702	51,279	-----
Chic St Paul Minn & Om.....	3,757,306	3,452,169	305,137	-----
Great Northern.....	215,233	185,722	29,511	-----
Montana Central.....	30,114	23,362	6,752	-----
Illinois Southern.....	497,100	451,254	45,846	-----
Internat & Gt Northern.....	10,809	10,269	540	-----
Macon & Birmingham.....	3,974,000	4,093,000	-----	119,000
Missouri Pac Sys(2 rds).....	z56,558	z45,898	10,660	-----
Mobile Jack & Kansas City.....	8,146,195	7,321,270	824,925	-----
(incl Gulf & Chic Div).....	4,998,712	4,371,174	627,538	-----
N. Y Cent & Hudson Riv.....	811,721	898,887	-----	87,166
Northern Pacific.....	12,000	11,900	100	-----
Texas & Pacific.....	387,801	364,332	23,469	-----
Texas Sabine Val & N W.....	57,024	49,687	7,337	-----
Toledo St Louis & West.....				
Toronto Ham & Buff.....				
Total (115 roads).....	154,972,550	141,867,461	13,375,117	270,028
Net increase (9.23 p. c.).....			13,105,089	

z Figures here are for the four weeks ending Sept. 23.

In this way it will be seen the improvement in the gross for the month reaches \$13,105,089, the total for 1905 at \$154,972,550 comparing with only \$141,867,461 for 1904. It should be added that last year the increase in gross on the same basis was \$734,020, while in August 1903 the gain aggregated no less than \$17,562,898—thus presenting a striking record of large and continuous improvement.

ITEMS ABOUT BANKS, BANKERS AND TRUST CO'S.

—The public sales of bank stocks this week aggregate 250 shares, of which 190 shares were sold at the Stock Exchange and 60 shares at auction. The transactions in trust company stocks reach a total of only 13 shares. The following table shows the sales of bank and trust company stocks made during the week either at the Stock Exchange or at auction:

Shares.	BANKS—New York.	Low.	High.	Close.	Last previous sale.
z12	City Bank, National.....	285	285	285	Sept. 1905—292½
z158	Commerce, Nat. Bank of.....	200	201½	200½	Oct. 1905—202½
z20	Fourth National Bank.....	210	210	210	Feb. 1905—210
25	Liberty National Bank.....	510	510	510	May 1905—530
35	New York, N. B. A., Bk. of.....	310½	310½	310½	Sept. 1905—311½
TRUST COMPANIES—New York.					
3	N. Y. Life Ins. & Tr. Co.....	1090	1090	1090	Oct. 1905—1090
10	Trust Co. of America.....	750	750	750	June 1905—770½

z Sold at the Stock Exchange.

—We think we voice the sentiment of the returned delegates when we commend the bankers of Washington, D. C., for their unsparing efforts in making last week's convention of the American Bankers' Association such a noteworthy affair. Compared to the large financial centers like New York, Chicago or Philadelphia, the financial resources of Washington are comparatively limited, and it is to the credit of the city that its bankers, from bank president down to bank clerk, worked unremittingly for months toward making this year's convention a great success.

Every feature of the week's interesting program as at first planned was faithfully executed by the various standing committees. The chairmen of these committees in charge of the Convention were: John Joy Edson, Executive Committee; Charles C. Glover, Chairman, and Milton E. Ailes, Vice-Chairman, Reception; A. F. Fox, Finance; William A. Mearns, Banquet; C. J. Bell, Entertainment; Albion Keith Parris, Potomac River Excursion; Clarence F. Norment, Excursion to Fort Meyer; W. B. Hibbs, Excursion to Mount Vernon. Mr. Charles E. Howe was an active member of both the Press and Entertainment committees.

The formal reception Friday night, the 13th inst., given by the Bankers' Association of the District of Columbia in the grand assembly rooms of the New Willard Hotel, decorated especially for the occasion with beautiful autumnal foliage and flowers, was a fitting climax to a week of delightful entertainment. Each of the 2,500 bankers and ladies pres-

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ent were met on their entrance in the reception room by Mr. Milton E. Ailes, Vice-President of the Riggs National Bank, and personally presented to Mr. John Joy Edson, President of the District of Columbia Bankers' Association, and Mrs. Edson; Mr. Charles C. Glover, Chairman Reception Committee; Commissioner H. B. F. Macfarland, President Board of Commissioners of the District of Columbia, and Mrs. Macfarland, and others in the receiving line. All parts of the country were represented in the animated gathering that moved back and forth while a large orchestra played in the crowded ballroom. Later in the evening, after the guests were served with a fine supper, dancing was enjoyed by the young folks. Several of the prominent officials and citizens of the Capital attended the reception. Many of the delegates and their families stayed over in Washington until this week before departing homeward, some of them also stopping at cities en route. Nothing contributed more to the personal convenience of the Associations' members during their stay in Washington than the telegraph and long-distance telephone facilities placed at their free disposal by the local committees.

—R. Ross Appleton, President of the Fourteenth Street Bank of this city, was this week appointed receiver of the Cooper Exchange Bank by Supreme Court Justice Cochrane at Albany. After the affairs of the defunct bank are liquidated, the Fourteenth Street Bank will open a branch in the Cooper Exchange Bank's location. Mr. Appleton serves gratuitously.

—At a meeting on October 12 of the directors of the Mutual Bank of this city, Otto M. Eidlitz was unanimously elected to the bank's board.

—The Greenwich Bank, one of the oldest institutions in the city, has increased its dividend rate from 6% to 8% per annum by the declaration this week of a semi-annual dividend of 4% payable Nov. 1. The bank has paid 6% per annum for the past fifty years. In the past five years deposits have risen from \$914,866 37 to \$4,459,884 16.

—George F. Viator, of Fred. Viator & Achelis, and George W. Jenkins, President of M. Hartley Co., were this week chosen trustees of the Washington Trust Company, 280 Broadway, filling the vacancies caused by the deaths of John F. Anderson Jr. and J. Frederick Chamberlin.

—George W. Young & Company of this city have issued a valuable publication under the title of "Comparative Statements of Trust Companies in the State of New York." The book shows all the items of resources, liabilities, income and various other statistical matter for all the separate companies in New York State. Moreover, it gives the figures for each company for each of the last ten years from 1894 to 1904 inclusive. In form and arrangement the book could hardly, we believe, be improved upon. The statements have been compiled from the annual reports to the Superintendent of Banking. The book also shows officers and directors on December 31 1904, as well as those on the same date in 1894, except in the cases of companies organized subsequent to 1894, when the officers at the date of organization are shown. A double page is devoted to the statistics of each company. Comparative figures showing the aggregates of all the trust companies in the State are also given. Altogether, the book forms an exceedingly useful publication, and it is very handsomely gotten up, too. The figures have been compiled by the Audit Company of New York.

—Frederick R. Green, Cashier of the failed Fredonia National Bank of Fredonia, N. Y., was indicted on the 12th inst. in the United States District Court at Lockport. The indictment is said to charge the making of false reports to the Comptroller, the making of false entries in books of the bank, and the abstraction and misapplication of the institution's funds.

—The National Bank of Rochester, N. Y., has been incorporated with a capital stock of \$800,000 as successor to the Flour City National Bank and the German-American Bank of Rochester—the consolidation plans of which were mentioned in the "Chronicle" of August 19. Eugene Satterlee, Granger A. Hollister, Walter B. Duffy, E. Frank Brewster, W. C. Barry and Albrecht Vogt are the new bank's incorporators. Eugene Satterlee, the present head of the

German-American Bank, is to be President of the enlarged institution. The consolidation will not go into effect for some time.

—The differences between those who were supporting the plan submitted by Hugh L. Bond Jr. for the reorganization of the Maryland Trust Company of Baltimore and those who opposed its adoption (referred to in our issue of October 7) have been adjusted. An agreement has been signed by Mr. Bond, representing the New York interests, and Bernard N. Baker, representing the opposing committee of Baltimore banking houses, whereby it is stipulated that all stockholders depositing their stock before a specified date will receive \$35 cash (instead of \$25, the former offer,) for each share of stock so deposited and the rights appertaining thereto under the plan. It is required, however, that stockholders desiring to accept this cash offer instead of participating in the bond plan shall signify their intention in writing at the time the stock is deposited. The offer is conditioned upon the deposit of at least two-thirds of the outstanding stock, and is made, according to an announcement bearing the signatures of Mr. Bond and Mr. Baker, "because, after a fair and full consideration of the Bond plan, and a knowledge of what the interests behind it propose to do, it is believed that the rights of the stock deposited under the plan will more than justify us in making the above alternative offer of \$35 per share for each share so to be deposited." The time in which deposits of stock must be made, originally limited to October 14, has been extended to 12 o'clock noon October 21 (to-day). Unconfirmed rumors of a plan to merge the Maryland Trust with the Baltimore Trust & Guarantee Company, of which Mr. Baker is President, have been prevalent the past week.

—The proposition to increase the capital of the First National Bank of Scranton, Pa., from \$200,000 to \$1,000,000 was endorsed by the stockholders on the 10th inst. As noted in a previous issue, the increase will be effected through the declaration of a stock dividend of 400%.

—The Enterprise National Bank of Allegheny, Pa., was ordered closed by the Comptroller on Wednesday, following the suicide of its Cashier, T. Lee Clark. The affairs of the bank had recently been under investigation by Comptroller Ridgely and State Banking Commissioner Berkey and his Assistant, John W. Morrison. According to the Pittsburgh "Dispatch," "paper to the estimated face value of \$700,000 on which it is alleged the bank could not recover is said to be the cause of the insolvency." "It is also alleged," to quote the same authority, "that \$400,000 was loaned to the Pennsylvania Development Company and the Santa Fe Central Railway, in which Cashier Clark, W. H. Andrews, Arthur Kennedy and F. J. Torrance were interested." In a statement issued by the officers of the Santa Fe Central Ry. Company and the Pennsylvania Development Company subsequent to a special meeting on Thursday it was said: "The railroad company has no notes out. We are not aware of any notes of the Pennsylvania Development Company in the Enterprise National Bank and the company has no record of such. If, however, Mr. Clark used any notes of this company in his bank they will be paid." The bank was organized in 1870; in 1895 it was reorganized as a national institution with a capital of \$200,000. Its last statement showed deposits of a little over two million dollars. It is reported that several hundred thousand dollars of current funds of the State are held by the bank. These State funds are understood to be amply secured by bonds. Bank Examiner John B. Cunningham is in charge of the institution.

—The Indemnity Savings & Loan Company of Cleveland, Ohio, has made an assignment to H. R. Sanborn. This action followed the application made last Friday by State Attorney General Ellis for the rescinding of the company's charter, on the alleged charge of gross irregularities. A motion to quash the ouster suit has been filed by the institution. While the company engaged in a general banking business, this was but a minor feature of its business, the principal feature being a general building and loan business. It is claimed by the officers of the institution that it is perfectly solvent and that the depositors will be paid in full.

—The Indiana Bankers' Association will meet next week in annual convention on Wednesday and Thursday, in Indianapolis. C. H. Church, Cashier of the Delaware County National Bank of Muncie, Ind., will discuss a

proposition for the guaranteeing of deposits of banks within the State, by which depositors, in the event of the failure of any institution belonging to the association, would be paid in full.

—The Federal National Bank of Chicago, lately organized by Isaac N. Perry, began business on Monday. The institution is located at the northwest corner of Madison and La Salle Street, in the quarters formerly occupied by the Metropolitan Trust & Savings Bank. It is said to be the intention of President Perry to increase the capital, now \$500,000, from time to time until it reaches \$1,000,000. There is a surplus of \$50,000. The board of directors is made up of Mr. Perry, Cashier Charles J. L. Kressman, John A. Montelius, Charles H. Wilcox and B. F. Weber, the last named President of the National Brick Company.

—The annual convention of the Nebraska Bankers' Association will be held next week, on the 24th and 25th inst., at Lincoln. The following addresses are on the program: "The Resources of Western Nebraska," by A. C. Shallenberger, President of the Bank of Alma at Alma, Neb.; "Observations on Foreign Banking," by Edwin Jeary, President First National Bank of Elmwood, Neb.; "The Banker of the Future," by G. W. Wattles, Vice-President United States National Bank of Omaha; "Equality of Opportunity," by Hon. L. Y. Sherman, Lieutenant-Governor of Illinois; "Bankers and Public Opinion," by C. M. Brown, President First National Bank, Cambridge, Neb.; "Modern Corporations and Their Relation to Existing Laws," by ex-Comptroller of the Currency Charles G. Dawes, President of the Central Trust Company of Illinois at Chicago; "Nebraska," by Chancellor E. Benjamin Andrews of the Nebraska State University and an address by Hon. Leslie M. Shaw, Secretary of the United States Treasury. F. T. Hamilton, Vice-President of the Merchants' National Bank of Omaha, is Treasurer of the Association. The Secretary is William B. Hughes of Omaha.

—The Western National Bank of Louisville, Ky., to whose reorganization we referred last week, re-opened for business on Monday the 16th inst. The bank is located in its new building at Third and Market streets.

—The opening of the new Hamilton National Bank of Chattanooga, Tenn., occurred on the 10th inst. The bank has a capital of \$250,000, which, with the shareholders' liability, gives a total responsibility of \$500,000. It is stated that at the end of the first day's business the deposits reached almost \$400,000. The institution is equipped with a safe deposit vault, and includes in its business the operation of a foreign exchange department. While the individual shareholders in the Hamilton National Bank and the Hamilton Trust & Savings Bank are to some extent identical, and the officers partially the same, both are to be maintained as separate institutions. T. R. Preston, President of both concerns, will devote his whole time to the management of the Hamilton National. C. M. Preston, nominally Cashier of the latter, will give his entire attention to the Hamilton Trust & Savings.

—A run which, according to Vice-President Blafler, was uncalled for was experienced by the Germania Savings Bank & Trust Company of New Orleans on Friday and Saturday of last week. At the request of the officers of the company the New Orleans Clearing House Association on Friday the 13th appointed a committee for the purpose of making a thorough examination of the institution's condition. This committee consisted of Charles Janvier of the Canal-Louisiana Bank & Trust Company; A. Baldwin Jr. of the New Orleans National Bank; Charles Godechaux of the Whitney-Central National Bank; J. H. Fulton of the Commercial National Bank and Charles H. Culbertson of the State National Bank. As a result of the examination, the committee announced that it found "the bank deserving of the confidence it has always enjoyed; that its condition is absolutely sound, and that if called upon to do so it could pay to every depositor every cent due and have left for distribution among its stockholders a surplus of \$398,908 88." The committee further stated that by virtue of the authority vested in it by the unanimous vote of the Clearing House Association, it pledged to the bank "the combined support of all the banks belonging to the association, which are fully prepared to give such help as may be required in this uncalled for, unwar-

ranted and absolutely unjustifiable attack." The bank was able to meet all demands upon it, and by Monday all evidences of the run had practically disappeared.

A NOTABLE GATHERING OF PROFESSIONAL ACCOUNTANTS.—The amalgamation of the Federation of Societies of Public Accountants with the American Association of Public Accountants on October 17th was followed by a banquet at the Hotel Astor which was attended by a number of men prominent in financial, legal and commercial circles. Mr. Franklin Allen presided as toastmaster of the evening. Over one hundred and sixty guests were present.

Hon. Paul Morton, former Secretary of the Navy, responding to the toast "The President of the United States," dwelt at some length on the all-round activities of the President and then said—"I believe that I am voicing his sentiments when I say that every great corporation of this country should be investigated or audited at least once a year by public and independent accountants so that investors might be kept posted and protected, directors informed and employees led not into temptation. Publicity is sure to come and the time is near at hand when doctored book-keeping will be treated in the same vigorous way that other malpractice is." Comptroller Grout, whose theme was "The City of New York," spoke briefly on the importance of Public Accountants as a body and their usefulness in the Finance Department of the City.

Jacob H. Schiff and Isaac N. Seligman were down for the toast, "Finance." Mr. Seligman had been unexpectedly called out of the city. Mr. Schiff's remarks were particularly interesting. He said in part—"I am willing to admit that the success and reputation of my own house have in no small degree been furthered by the guidance it has received in many instances from the men of your profession in the consideration of large and important business propositions which are being brought before it. It is a fact that the advice thus obtained has led to the rejection of a considerably larger number of propositions than have been found acceptable, greatly to the safeguarding of our good name and reputation." He warned the accountants present that too favorable an aspect should not be placed by them upon undertakings under investigation and made several suggestions along the lines of the increased usefulness which he felt was at hand from the Public Accountant. He spoke briefly on the recent disclosures in financial affairs, and said further—"With notable exceptions, directors of great corporations have been thoughtless and too trustful, and in the face of recent developments the lesson need be learned that acceptance of corporate directorship brings definite duties and responsibilities, at least of a moral character, which need be actively looked after and courageously discharged. It is just in this connection that the services of your profession might with much advantage be called more frequently into requisition."

Other guests who spoke were A. Lowes Dickinson, Ex-District Attorney Philbin, John R. Loomis, Dr. Young of the University of Pennsylvania, J. R. Van Wormer of New York. Ex-President Cleveland in his letter of regret said: "My experience and observance has led me to look upon such an organization as this as one extremely useful not only to the business section of our people, but also to those who are interested in having the accounts of large enterprises receive such care and attention as to guarantee the safety of investment; and it seems to me that the greater the growth of this comparatively new organization, the better it will be for all of our people."

At the business sessions of the consolidated associations held earlier in the afternoon, the following officers were elected: John R. Loomis of New York, President; A. Lowes Dickinson of New York, Vice-President; Guy H. Kennedy of Ohio, Treasurer. Together with the officers, the Executive Committee chosen includes: Elijah W. Sells of New York, Harvey S. Chase of Mass., Robert H. Montgomery of Penn., and Franklin Allen of New York. The fusion of the Federation of Societies of Public Accountants with the American Association of Public Accountants represents the union of the chief societies of the profession throughout the United States, having a membership of over five hundred practicing public accountants.

Monetary Commercial English News

London, Saturday, Oct. 7 1905.

Although the directors of the Bank of England made no change in their rate of discount this week the fear is very general in the City that they will have to do so before long. It was expected that when the rate was raised to 4% there would be a rise in the Paris exchange upon London and that gold, therefore, would be received from France. The expectation has been disappointed. Indeed, there has actually been a fall in the exchange. That is due to passing circumstances, as will be shown immediately. But the fact disquiets operators, and consequently they are unwilling to engage in new risks. Moreover, the rise in the value of money has caused a fall in consols and other first-class securities. And, lastly, the Paris Bourse is very quiet. The liquidation that has followed the sugar crisis is believed now to be almost completed. But it has led to very large sales on French account here in London; particularly, sales of mining shares. The securities so sold have, for the most part, now been delivered, and the money to be paid for them is being remitted to Paris. That is one explanation of the low exchange which frightens many observers in the City.

Another explanation is that preparations are being made for a large Russian loan. When the Portsmouth Treaty is ratified it is believed that a large loan will be brought out, the Paris banks refusing to lend until ratification has actually taken place. How much the loan will amount to is not stated. But it is generally thought that it will be for somewhere between 60 and 70 millions sterling. It is also believed that the issue will be made in New York and London, as well as in Paris, Berlin and Amsterdam. In Paris the impression is that the rate of interest will be 4% and the issue price about 90. The general feeling everywhere is that the price is not sufficiently attractive for any but French investors. A certain amount, of course, will be subscribed in Germany, Holland, Belgium and Switzerland, and some may be subscribed in London and New York. But the bulk of the loan will have to come from France. Consequently, France is making great preparations for the transaction. And in doing so she has been selling on a considerable scale in London. This has naturally disappointed and discouraged operators here. At the same time, the best opinion in Paris is that the liquidation following the sugar crisis is now practically completed, and that the preparations for the Russian loan and other great operations which are in contemplation are very nearly finished. In Paris, the belief is that the Russian loan will be issued the latter part of this month, and that immediately afterwards there will be a decided improvement on the Bourse which will stimulate business in other countries.

The London Stock Exchange has been somewhat adversely affected, moreover, by the dearness of money in Berlin. As was generally expected by the well informed, the directors of the Imperial Bank of Germany put up their rate of discount to 5% at the beginning of this week. Trade is wonderfully active in Germany. To some extent this is probably due to the desire of all persons in business to take advantage of the comparatively low customs duties now prevailing, for the new treaties will come into effect next March. However that may be, trade is exceedingly active and speculation is rampant; so much so, indeed, that the banks have been warning their customers that they must repay some of their loans. The return of the Imperial Bank for the last week of September shows that the demand for banking accommodation was greater than at any previous end of September. Coin and bullion were withdrawn from the bank to the extent of nearly 6¼ millions sterling and the note circulation increased by over 27 millions sterling. In consequence of this rush for accommodation and of the warnings of the banks there has been some setback in quotations. But the decline is surprisingly little. In spite of the action of the banks, operators insist upon continuing their speculations. They believe that the flurry in the money market will soon be over, and that then speculation will proceed even more actively than before. All these things together have been unfavorably affecting the London Stock Exchange. And probably until there is a recovery in Paris and Berlin, there will be no great improvement here.

There is very much uncertainty as to whether the Directors of the Bank of England will have to put up their rate to 5%. The City generally believes that they will have to do so very soon. Even more careful observers are afraid that an advance will become necessary. All, of course, will depend upon the amount of gold the United States requires. If the amount is very large, a 5% rate will become necessary, for the reserve of the Bank of England is too small to admit of large withdrawals. The belief is general among the best informed, both in Paris and in London, that the Bank of France will allow several millions to go to the United States if required. Indeed, about 22 million francs in gold have been taken from the Bank of France this week, and the general belief is that it was intended for the United States. If the Bank of France allows the gold required to go to the United States, that will immediately relieve London, and it is quite possible that a 5% rate may be avoided. On the other hand, if gold is not freely allowed to leave by the Bank of France, the Bank of England will have to put up its rate. The rise in the value of money here has stopped the gold shipments to Buenos Ayres, for the time at all events. It is generally expected that they will not be resumed for a considerable time. But if the crops turn out well there will have to be further shipments later in the year. These, however, can be coped with and so can the Egyptian demands. But a large demand for the United States would leave no option but for the Bank of England to raise its rate.

The India Council offered for tender on Wednesday 80 lacs of drafts and the applications amounted to 734 lacs at prices ranging from 1s. 4 1-32d. to 1s. 4 3-32d. per rupee. Applicants for bills at 1s. 4 1-32d. and for telegraphic transfers at 1s. 4 1-16d. per rupee were allotted about 6 per cent of the amounts applied for.

The following return shows the position of the Bank of England, the Bank rate of discount, the price of consols, &c., compared with the last four years:

	1905. Oct. 4.	1904. Oct. 5.	1903. Oct. 7.	1902. Oct. 8.	1901. Oct. 9.
Circulation.....	29,773,075	28,676,145	29,271,770	29,863,320	30,056,655
Public deposits.....	12,015,042	8,281,883	7,402,447	7,500,342	8,273,933
Other deposits.....	42,258,148	44,404,325	45,384,775	42,695,526	44,771,385
Government securities.....	18,063,329	18,044,883	20,085,056	18,822,561	19,516,765
Other securities.....	32,373,591	32,977,593	27,263,138	28,940,207	26,312,412
Reserve notes & coin.....	20,977,869	27,682,777	22,288,424	23,029,877	25,091,650
Consols, 2½ p. c.....	32,300,944	37,908,922	35,110,194	34,718,197	27,373,555
Prop. reserve to liabilities.....	38½	53¼	42½	43¾	47¾
Bank rate.....	p. c. 4	4	4	4	4
Consols, 2½ p. c.....	88 13-16	88 11-16	88 15-16	93 1-16	92 15-16
Silver.....	28½d.	26½d.	27 9-16d.	23d.	26 11-16d.
Clear-house returns.....	320,138,000	262,214,000	211,726,000	190,779,000	166,407,000

a October 2.

The rates for money have been as follows:

	Oct. 6	Sept. 29.	Sept. 22.	Sept. 15.
Bank of England rate.....	4	4	4	4
Open market rates—				
Bank bills—3 months.....	3¼ @ 3¼	3¼ @ 3¼	3	2¼ @ 2 15-16
—6 months.....	3¼	3¼	3¼	3¼ @ 3¼
Trade bills—3 months.....	4 @ 4¼	3¼	3¼ @ 3¼	3¼
—4 months.....	4¼	4	3¼ @ 4	3¼ @ 3¼
Interest allowed for deposits—				
By joint-stock banks.....	2¼	2¼	1½	1½
By discount houses—				
At call.....	2¼	2¼	1½	1½
7 to 14 days.....	2½	2½	1½	1½

The Bank rates of discount and open market rates at the chief Continental cities have been as follows:

	Oct. 6.	Sept. 29.	Sept. 22.	Sept. 15.
Rates of Interest at	Bank Rate.	Open Market.	Bank Rate.	Open Market.
Paris.....	3	2½	3	2½
Berlin.....	5	2½	4	2½
Hamburg.....	5	3¼	4	2½
Frankfurt.....	5	3¼	4	2½
Amsterdam.....	2½	2½	2½	2½
Brussels.....	3	2½	3	2½
Vienna.....	3¼	3¼	3¼	3 7-16
St. Petersburg.....	5½	nom.	5½	nom.
Madrid.....	4½	4	4½	4
Copenhagen.....	5	4½	4	4

Messrs. Pixley and Abell write as follows under date of October 5:

GOLD.—The arrival of £800,000 in bars has all been bought up by the United States, but with the drop in the French exchange to 25 14½ we have Paris as a buyer now and the demand is keen. £5,000 has arrived at the Bank from Austria and £250,000 has been withdrawn for Egypt. Arrivals—South Africa, £679,000; Australia, £27,000; Bombay, £112,000; West Africa, £39,000; West India, £25,000; New Zealand, £24,000; total, £906,000. Shipments—Bombay, £63,500; Madras, £500; total, £64,000.

SILVER.—During the close of last week the market continued to fall, the decline being caused rather by absence of buying orders than by any heavy selling, until 28d. was touched for spot on the 30th ult. India then sent buying orders, and these, together with some covering orders, caused a sharp recovery on the 2nd inst. to 28½d. Since then the market has been very quiet with a very moderate business, and, although the quotation fell to 28¼d., it has to-day recovered to 28½d., and the market closes steady. Forward silver has been quoted 7-16d. to 16½d. under spot and closes at the latter. The shipment quotation in India is Rs 7 1½, the spot price being Rs 4 higher. Arrivals—New York, £222,000; West India, £22,000; New Zealand, £10,000; total, £234,000. Shipments—Bombay, £130,250; Madras, in coin, £15,750; Hongkong, £26,624; Madras, £2,500; total, £174,124.

MEXICAN DOLLARS.—No fresh business has been reported, but £67,000 have arrived from New York, and, as mentioned above, £15,750 have been sent to Bombay.

The quotations for bullion are reported as follows:

	Oct. 5.	Sept. 28.		Oct. 5.	Sept. 28.
GOLD.			SILVER.		
London Standard.....	77 9¼	77 9¼	London Standard.....	28 7-16	28 7-16
Bar gold, fine, oz.....	76 4¼	76 4¼	Bar silver, fine, oz.....	28 7-16	28 7-16
U.S. gold coin, oz.....	76 4¼	76 4¼	2 mo. delivery.....	28 7-16	28 7-16
German gold coin, oz.....	76 4¼	76 4¼	Bar silver, containing—		
French gold coin, oz.....	76 4¼	76 4¼	5 gra. gold, oz.....	28 13-16	28 13-16
Japanese yen, oz.....	76 4¼	76 4¼	4 gra. gold, oz.....	28 13-16	28 13-16
			3 gra. gold, oz.....	28 13-16	28 13-16
			Cake silver, oz.....	30 11-16	30 11-16
			Mexican dollars.....	nom.	nom.

a Nominal.

English Financial Markets—Per Cable.

The daily closing quotations for securities, etc., at London as reported by cable have been as follows the past week:

Week ending Oct. 20.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Silver, per oz.	28 7-16	28 7-16	28 11-16	28 11-16	28 7-16	28 7-16
Consols, new, 2½ per cent.	88 1-16	88 7-16	88 9-16	88 9-16	88 9-16	88 9-16
For account	88 1-16	88 7-16	88 9-16	88 9-16	88 9-16	88 9-16
French Renten (in Paris), fr.	99 55	99 50	99 27½	99 37½	99 30	99 37½
de Anaconda Mining Co.	6 1/4	6 1/4	6 1/4	6 1/4	6 1/4	6 1/4
Atch. Top. & Santa Fe.	91 1/4	90 1/4	91 1/4	90 1/4	90 1/4	90 1/4
Preferred	106 1/4	106 1/4	107 1/4	107 1/4	108 1/4	108 1/4
Baltimore & Ohio	116 1/4	115 1/4	115 1/4	115 1/4	115 1/4	115 1/4
Preferred	100 1/4	100 1/4	100 1/4	100 1/4	100 1/4	100 1/4
Canadian Pacific	173 1/4	175 1/4	175 1/4	175 1/4	174 1/4	174 1/4
Chesapeake & Ohio	58 1/4	58 1/4	58 1/4	58 1/4	57 1/4	57 1/4
Chicago Great Western	22 1/4	22 1/4	22 1/4	22 1/4	22 1/4	22 1/4
Chic. Milw. & St. Paul	183 1/4	183 1/4	184 1/4	183 1/4	184 1/4	184 1/4
Denver & Rio Grande, com.	35 1/4	35 1/4	35 1/4	35 1/4	34 1/4	34 1/4
Preferred	90 1/4	90 1/4	90 1/4	90 1/4	89 1/4	89 1/4
Erie, common	50 1/4	49 1/4	50 1/4	49 1/4	48 1/4	48 1/4
First preferred	83 1/4	83 1/4	83 1/4	83 1/4	82 1/4	82 1/4
Second preferred	74 1/4	74 1/4	74 1/4	74 1/4	73 1/4	73 1/4
Illinois Central	183 1/4	184 1/4	184 1/4	184 1/4	184 1/4	184 1/4
Louisville & Nashville	157 1/4	156 1/4	156 1/4	156 1/4	154 1/4	154 1/4
Mexican Central	25 1/4	25 1/4	25 1/4	25 1/4	24 1/4	24 1/4
Mo. Kan. & Tex., common	33 1/4	33 1/4	33 1/4	34 1/4	34 1/4	34 1/4
Preferred	60 1/4	60 1/4	60 1/4	60 1/4	59 1/4	59 1/4
National RR. of Mexico	38 1/4	38 1/4	38 1/4	38 1/4	37 1/4	37 1/4
N. Y. Central & Hudson	153 1/4	153 1/4	153 1/4	153 1/4	152 1/4	152 1/4
N. Y. Ont. & Western	55 1/4	55 1/4	55 1/4	55 1/4	54 1/4	54 1/4
Norfolk & Western, common	88 1/4	88 1/4	88 1/4	88 1/4	87 1/4	87 1/4
Preferred	94 1/4	94 1/4	94 1/4	94 1/4	93 1/4	93 1/4
Northern Pacific	213 1/4	213 1/4	213 1/4	213 1/4	212 1/4	212 1/4
Northern Securities	189 1/4	189 1/4	189 1/4	189 1/4	188 1/4	188 1/4
a Pennsylvania	74 1/4	74 1/4	74 1/4	74 1/4	73 1/4	73 1/4
a Reading Co., common	62 1/4	62 1/4	62 1/4	62 1/4	61 1/4	61 1/4
a First preferred	47 1/4	47 1/4	47 1/4	47 1/4	46 1/4	46 1/4
a Second preferred	51 1/4	51 1/4	51 1/4	51 1/4	50 1/4	50 1/4
Rock Island Co.	34 1/4	34 1/4	34 1/4	34 1/4	33 1/4	33 1/4
Southern Pacific	68 1/4	68 1/4	68 1/4	68 1/4	67 1/4	67 1/4
Southern Ry., common	37 1/4	37 1/4	37 1/4	37 1/4	36 1/4	36 1/4
Preferred	103 1/4	103 1/4	103 1/4	103 1/4	102 1/4	102 1/4
Union Pacific, common	136 1/4	136 1/4	136 1/4	136 1/4	135 1/4	135 1/4
Preferred	99 1/4	99 1/4	99 1/4	99 1/4	98 1/4	98 1/4
U. S. Steel Corp., common	38 1/4	38 1/4	38 1/4	38 1/4	37 1/4	37 1/4
Preferred	107 1/4	107 1/4	107 1/4	107 1/4	106 1/4	106 1/4
Wabash	22 1/4	22 1/4	22 1/4	22 1/4	21 1/4	21 1/4
Preferred	43 1/4	43 1/4	43 1/4	43 1/4	42 1/4	42 1/4
Debutent "Bs"	75 1/4	75 1/4	75 1/4	75 1/4	74 1/4	74 1/4

a Price per share. b £ sterling per share.

Commercial and Miscellaneous News

Auction Sales.—Among other securities the following not regularly dealt in at the Board were recently sold at auction By Messrs. Adrian H. Muller & Son:

Stocks.	Stocks.
3 N. Y. Life Ins. & Tr. Co.	35 Bank of New York.
100 E. W. Bliss & Co., pref	N. B. A.
15 Norwich & Worcester RR., guar.	20 Bond & Mortgage
10 Westches. Trac. Co.	Guarantee Co.
20 U. S. Title Guar. & Indem. Co.	15,000 Sultana Mining Co.
100 Am. Axe & Tool Co., \$50 each.	\$800 Sultana Mining Co. 1st 6s, Sept. 1905 coup.
14 New Jersey Zinc Co.	100,000 Ohio Mining & Mfg. Co. income mortgage.
4 Home Ins. Co. of N. Y.	\$3,000 Quebec Jacques Cartier Elec. Co. 1st ref. 5s, 1931 J. & D.
10 Trust Co. of America	
25 Liberty Nat. Bank	
100 International Time Record Co.	

DIVIDENDS.

The following dividends have been announced this week.

Name of Company.	Per Cent.	When Payable.	Books Closed. Days Inclusive.
Railroads (Steam.)			
Charters	5	Oct. 2	Holders of rec. Sept. 25
Cripple Creek Central, com.	3	Oct. 25	Holders of rec. Oct. 25
Preferred (quar.)	1	Oct. 25	Holders of rec. Oct. 25
Grand Rapids & Indiana	1 1/4	Oct. 25	Holders of rec. Oct. 25
Great Northern (quar.)	1 1/4	Nov. 1	Holders of rec. Nov. 1
Reading, 2nd pref.	2	Nov. 10	Holders of rec. Oct. 23
Rome Wat. & Cgd., guar. (quar.)	1 1/4	Nov. 15	Holders of rec. Nov. 15
Street Railways.			
California St., San Fran. (monthly)	90c.	Oct. 11	Holders of rec. Oct. 12
Dartmouth & West, N. Bedford (qu.)	2	Oct. 1	Holders of rec. Oct. 21
East St. Louis (Ill.) & Sub. (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 28
Northern Texas Trac. Fr. Worth (qu.)	1 1/4	Nov. 1	Holders of rec. Nov. 1
Twin City R. T., Minneap. com. (qu.)	1 1/4	Nov. 15	Holders of rec. Nov. 15
United Traction, Albany, N. Y. (qu.)	1 1/4	Nov. 1	Holders of rec. Oct. 23
Worcester Ry. & Investment	8 1/2	Nov. 1	Holders of rec. Oct. 23
Banks.			
American Exchange National	5	Nov. 1	Holders of rec. Oct. 20
City National	4	Nov. 1	Holders of rec. Oct. 31
Greenwich	4	Nov. 1	Holders of rec. Oct. 31
Pacific (quar.)	2	Nov. 1	Holders of rec. Oct. 31
Miscellaneous Companies.			
Amalgamated Copper	1 1/4	Nov. 27	Holders of rec. Nov. 12
American Glue, com.	82	Nov. 1	Holders of rec. Oct. 31
Am. Graphophone, pref. (qu.) (No. 42)	1 1/4	Nov. 15	Holders of rec. Nov. 15
American Light & Trac. com. (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 28
Preferred (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 31
Bethlehem Steel Corp., pref. (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 25
Butte Elec. Power, pref. (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 27
Chicago Edison (quar.)	2	Nov. 1	Holders of rec. Oct. 27
Cladon, H. B., 1st pref. (quar.)	1 1/4	Nov. 1	Holders of rec. Nov. 1
Second preferred (quar.)	1 1/4	Nov. 1	Holders of rec. Nov. 1
Crocker-Wheeler (quar.)	1 1/4	Nov. 15	Holders of rec. Nov. 15
Internat. Steam Pump, pref. (quar.)	1 1/4	Nov. 1	Holders of rec. Nov. 1
Municipal Gas, Albany, N. Y. (quar.)	2 1/4	Nov. 1	Holders of rec. Nov. 1
Pocahontas Coaleries, pref. (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 28
Procter & Gamble, com. (quar.)	3	Nov. 15	Holders of rec. Oct. 31
Fulham Co. (quar.) (No. 155)	82	Nov. 15	Holders of rec. Oct. 31
Standard Milling, pref. (quar.)	1 1/4	Nov. 1	Holders of rec. Oct. 31
Trenton Pottery, pref. (quar.)	2	Oct. 25	Holders of rec. Oct. 19
United Copper, pref. (No. 7)	3	Nov. 15	Holders of rec. Nov. 15
U. S. Cast I. Pipe & Foundry, com.	1 1/4	Dec.	Holders of rec. Nov. 15
Preferred (quar.)	1 1/4	Dec.	Holders of rec. Nov. 15
United States Express (No. 144)	3 1/4	Nov. 15	Holders of rec. Nov. 15
Worthington, Henry R., pref.	2 1/4	Nov. 1	Holders of rec. Nov. 1

Special dividend in adjustment of dividend period.

—Paterson & Hepburn, 20 Broad St., are distributing copies of a circular offering Sloss-Sheffield Steel & Iron Company underlying bonds, together with a brief statement of the company's earnings and accumulated profits to August 31 1905.

Breadstuffs Figures Brought from Page 70.—The statements below are prepared by us from figures collected by the New York Produce Exchange. The receipts at Western lake and river ports for the week ending last Saturday and since Aug. 1, for each of the last three years, have been:

Receipts at—	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
bbls. 1904bush. 60 lbs.	bush. 56 lbs.	bush. 32 lbs.	bush. 48 lbs.	bush. 56 lbs.	bush. 56 lbs.	bush. 56 lbs.
Chicago	229,299	445,800	1,172,135	3,241,292	1,161,320	107,000
Milwaukee	104,125	312,120	21,850	375,500	1,190,000	37,600
Duluth	180,200	1,551,425	15,435	644,089	657,257	44,987
Minneapolis	2,317,082	217,210	1,150,920	607,900	72,810	21,500
Toledo	91,000	100,000	209,700	1,500	21,500	—
Cleveland	8,500	113,614	141,417	54,500	—	—
St. Louis	1,689	17,080	56,586	152,019	—	—
Peoria	63,790	502,527	369,335	556,850	157,500	21,000
Kansas City	5,850	12,400	288,000	329,000	17,700	800
Since Aug. 1.	1,185,000	264,000	109,200	—	—	—
Tot. wk. '05	602,253	6,552,048	2,645,771	6,823,970	3,853,177	305,097
Same wk. '04	625,378	5,392,191	2,119,219	5,247,575	9,684,025	112,580
Same wk. '03	475,486	2,308,077	2,812,193	4,419,517	2,990,677	196,960
Since Aug. 1.	4,830,105	70,341,594	38,721,890	68,411,258	21,333,984	2,220,174
1905	4,747,002	63,301,576	42,656,355	60,271,189	19,038,185	1,897,774

Total receipts of flour and grain at the seaboard ports for the week ending October 14 follow:

Receipts at—	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
bbls. bush.	bush.	bush.	bush.	bush.	bush.	bush.
New York	161,772	311,800	303,900	1,238,200	416,300	34,575
Boston	48,043	328,122	20,897	104,739	170,038	—
Portland	2,780	56,050	—	—	—	—
Philadelphia	60,652	68,292	144,470	443,030	7,400	7,401
Baltimore	68,921	68,104	92,000	2,961	2,961	67,538
Richmond	4,976	44,524	39,640	53,928	—	1,340
Newport News	42,413	33,000	137,000	380,000	—	14,381
Galveston	12,270	83,000	8,400	129,000	—	—
Montreal	17,933	392,848	—	262,701	171,544	—
Mobile	821	—	12,150	3,690	—	—
Total week	420,581	1,443,140	808,415	2,915,249	761,011	125,055
Week, 1904	318,242	207,173	962,956	958,861	199,404	18,888

a Receipts do not include grain passing through New Orleans for foreign ports on through bills of lading.

Total receipts at ports from January 1 to October 14 compare as follows for four years:

Receipts of—	1905.	1904.	1903.	1902.
Flour	9,552,097	13,553,520	16,663,887	16,914,997
Wheat	26,483,330	33,266,241	80,316,255	107,220,323
Corn	79,496,123	43,462,752	83,129,223	13,982,139
Oats	51,687,724	37,680,256	2,830,900	1,809,095
Barley	6,651,134	2,683,019	3,580,279	3,709,037
Rye	912,268	669,865	—	—
Total grain	165,230,579	117,761,982	212,036,198	167,904,751

The exports from the several seaboard ports for the week ending last Saturday are shown in the annexed statement:

Exports from—	Wheat.	Corn.	Flour.	Oats.	Rye.	Barley.	Peas.
bbls. bush.	bush.	bush.	bush.	bush.	bush.	bush.	bush.
New York	31,903	394,242	88,654	693,610	30,498	224,953	9,747
Portland	—	—	—	—	—	—	—
Boston	145,824	179,234	17,257	320	—	79,403	900
Philadelphia	16,000	77,142	30,712	110,000	—	—	—
Baltimore	—	36,053	44,640	50,070	42,857	—	—
Newport News	—	—	42,413	380,000	14,381	—	—
Charleston	—	—	—	—	—	—	—
New Orleans	82,697	2,400	2,815	768	—	—	—
Galveston	262,000	5,000	1,525	—	—	—	—
Montreal	394,333	133,363	42,282	68,455	—	163,310	—
Mobile	—	—	—	—	—	—	—
Pensacola	—	—	—	—	—	—	—
Total week	988,807	839,566	273,899	1,306,916	87,736	467,666	10,662
Same time 1904	715,935	156,656	133,244	—	—	56,279	9,737

The destination of these exports for the week and since July 1 is as below:

Exports for week and since July 1 to—	Flour.	Wheat.	Corn.
Week. Since July 1.	Week. Since July 1.	Week. Since July 1.	Week. Since July 1.
U. S. Kingdom	158,124	1,100,326	812,207
Continent	39,407	415,038	373,903
West. & Cent. America	16,838	227,463	32,589
So. Indies	25,735	324,649	2,697
B. N. A. Colonies	15,391	83,703	821
Other countries	18,204	57,005	—
Total	273,899	2,180,184	988,807
Total 1904	156,656	2,071,088	4,735,597

New York City Clearing House Banks.—Statement of condition for the week ending Oct. 14, 1905, based on average of daily results.

We omit two ciphers (00) in all cases.

BANKS. 00s omitted.	Capital.	Surplus.	Loans.	Specie.	Legals.	Deposits.	Re- serves.
\$	\$	\$	\$	\$	\$	\$	P.C.
Bk. of N. Y.	2,000,000	2,432,1	16,389,0	2,386,0	1,233,0	14,749,0	26.8
Manhat. Co.	2,050,0	2,400,0	24,453,0	4,107,0	2,378,0	27,446,0	23.6
Mechanics'	2,000,0	1,379,7	12,529,9	2,578,0	1,519,5	16,891,5	25.7
Mechanics'	3,000,0	3,284,3	20,620,0	3,347,0	1,812,0	20,033,0	25.7
America...	1,500,0	3,776,6	22,616,7	4,016,0	2,203,6	24,418,2	25.4
City	1,000,0	223,5	5,481,0	752,0	294,0	4,287,0	24.8
Chemical	25,000,0	18,260,0	160,160,7	40,992,2	8,007,3	156,226,0	31.6
Chemical	300,0	7,406,5	24,328,3	4,055,6	1,849,2	22,694,1	26.0
Mech. Ex.	800,0	362,2	5,012,6	966,2	605,5	6,417,1	23.4
Gallatin	1,000,0	2,280,9	8,181,1	935,5	617,0	6,182,1	25.2
Commerce	3,000,0	3,130,5	2,604,5	300,0	75,8	2,764,4	22.1
Mech. & Tra.	700,0	347,2	5,238,0	691,0	684,0	5,872,0	23.4
Greenwich	500,0	688,4	3,980,0	681,7	429,0	4,260,1	26.0
Amer. Exch.	5,000,0	4,449,5	29,476,5	3,176,8	1,581,5	20,344,0	24.7
Commerce	25,000,0	12,135,3	136,484,4	10,085,9	8,906,8	118,150,1	25.1
Mechanics'	3,000,0	4,293,3	21,668,9	3,171,9	1,307,8	18,101,6	25.0
Pacific	422,7	629,9	3,512,0	206,6	396,3	3,901,7	18.9
Chatham	450,0	1,057,2	5,896,2	685,4	344,8	5,971,6	25.5
People's	200,0	431,5	2,296,5	395,1	300,0	2,679,0	25.9
N. America	2,000,0	1,924,9	13,410,9	1,095,0	1,780,3	11,457,0	25.0
Harbor	3,000,0	6,891,2	48,694,3	9,652,8	5,037,3	57,203,3	25.6
Irving	1,000,0	1,051,2	7,471,0	1,203,9	334,4	6,868,0	23.3
Citizens'	2,500,0	3,76,7	19,092,9	3,300,1	1,744,4	18,569,8	25.0
Nassau	500,0	321,0	3,310,4	301,7	447,9	3,806,7	19.6
Mar. & Buil.	1,000,0	1,381,9	6,945,4	1,234,9	637,8	6,903,3	27.1
Shoe & Lthr.	1,000,0	441,1	7,070,6	1,790,2	462,7	6,275,7	24.2
Corn Exch.	2,000,0	3,291,9	30,945,9	8,844,0	4,176,0	38,701,0	25.9
Orcutt	750,0	1,007,0	6,212,6	1,805,0	372,6	6,302,2	21.2
Imp. & Tra.	1,500,0	6,632,3	23,442,0	3,968,0	1,371,0	20,668,0	25.8
Park	3,000,0	7,221,6	64,961,0	14,147,0	4,450,0	73,113,0	25.4
East River	250,0	111,4	1,288,8	178,4	167,0	1,620,1	22.5
Fourth	3,000,0	6,858,3	11,173,9	3,942,5	1,841,6	22,116,1	26.1
Second	300,0	1,560,8	10,288,0	632,0	1,822,0	10,755,0	23.0
First	10,000,0	15,818,6	93,615,3	18,691,6	2,171,8	82,519,0	25.2
N. Y. St. Ex.	1,000,0	869,4	8,416,5	1,781,3	336,9	8,031,0	26.3
Bowery	1,000,0	1,735,5	9,977,9	2,461,0	1,864,7	11,177,6	25.1
N. Y. Co.	200,0	7,23,5	4,821,8	1,098,8	619,9	5,884,4	26.4
German Am.	750,0	546,6	4,227,8	790,4	191,2	4,162,0	23.6
Chase	1,000,0	4,043,6	42,087,6	10,495,3	1,797,4	45,704,2	25.0
Fifth Ave.	1,000,0	1,735,5	9,977,9	2,461,0	1,864,7	11,177,6	25.1
German Ex.	200,0	740,4	3,204,4	180,0	780,0	3,444,0	24.9
Germania	200,0	808,2	2,980,3	414,4	718,3	3,496,2	20.3
Lancet	300,0	1,454,3	13,050,6	1,662,6	1,880,0	13,817,2	22.7
Gardner	1,000,0	1,305,8	7,424,2	1,305,8	1,410,0	8,540,0	25.0
Fifth	1,000,0	426,0	2,712,9	480,2	154,7	2,722,8	23.3
Bk. of Met.	1,000,0	1,544,0	8,497,1	1,823,8	342,9	9,753,5	23.2
West Side	200,0	685,3	4,040,0	713,0	397,0	4,517,0	24.4
Seaboard	500,0	1,478,0	13,536,0	2,050,0	1,277,0	15,776,0	24.5
1st N. Dakin	1,000,0	685,6	4,471,0	978,0	551,0	6,000,0	24.5
Liberty	1,000,0	2,065,5	10,683,0	1,954,2	250,0	8,782,0	25.1
N. Y. Pr. Ex.	1,000,0	513,9	6,755,7	1,246,2	413,7	6,618,9	25.0
New Amst.	500,0	890,8	5,972,5	644,7	773,0	6,747,0	21.0
Astor	550,0	604,5	4,824,0	655,0	150,0	4,889,5	23.5
Total	115,972,7	140,160,8	1,032,824,0	191,952,1	74,798,7	1,026,157,6	26.0

† Total United States deposits included, \$8,490,100

Reports of Non-Member Banks.—The following is the statement of condition of the non-member banks for the week ending Oct. 14, 1905, based on average of daily results.

We omit two ciphers (00) in all cases.

BANKS. 00s omitted.	Capital.	Sur- plus.	Loans & Invest- ments.	Specie.	Leg. I. & Bank Notes.	Deposit with Clear'g Agent.	Other Bkks. & Deposits	Net Deposits
\$	\$	\$	\$	\$	\$	\$	\$	\$
N. Y. CITY.								
Borough of								
Man & H'nd								
Wash. H'gs	100,0	160,4	766,3	15,7	34,5	80,0	611,3	
Century	200,0	133,5	937,1	25,4	35,4	95,5	831,8	
Chesapeake	100,0	70,3	670,7	38,1	38,0	64,1	598,7	
Colonial	100,0	294,1	3,511,1	90,5	370,8	382,9	150,1	4,260,5
Columbia	300,0	370,0	5,506,0	336,0	258,0	689,0	5,7	6,290,0
Consol. Nat.	1,000,0	1,050,5	4,070,0	437,4	39,2	260,0	25,0	2,459,7
Equity	200,0	128,0	922,9	20,8	45,9	70,1	15,4	907,0
14th Street	1,000,0	91,2	4,625,0	183,0	261,5	147,4	40,0	5,026,6
Hamilton	200,0	140,3	4,345,1	226,0	1,58,1	235,0	4,904,5	
Jefferson	400,0	39,0	3,353,9	7,9	156,1	160,3	3,239,9	
Met. Trust	200,0	143,5	2,821,6	166,2	84,2	139,0	56,0	3,277,0
Mutual	200,0	264,3	3,719,1	21,4	271,7	190,4	56,9	3,517,7
10th Ward	200,0	216,7	2,652,9	33,0	216,6	424,1	19,3	2,959,7
Piazza	100,0	268,7	3,670,0	266,0	187,0	200,0	4,894,0	
Riverside	100,0	109,0	1,595,9	16,9	119,0	1,17,0	1,28,7	1,834,9
State	100,0	998,7	10,903,0	639,0	319,0	156,0	625,0	11,921,0
12th Ward	200,0	137,4	2,175,0	36,0	212,0	215,0	86,0	2,698,0
23d Ward	100,0	119,3	1,651,7	88,4	181,1	205,4	132,0	2,150,3
Union Exch.	750,0	618,2	7,287,2	26,5	446,2	719,0	7,221,9	
United Nat.	1,000,0	171,2	2,245,9	228,9	61,7	85,0	2,275,0	
Yorkville	100,0	306,5	2,736,7	34,9	254,1	126,5	81,9	3,076,8
Coal & L. Nat.	300,0	224,9	2,841,7	605,3	89,0	533,8	76,9	3,491,3
Metropol'n	1,000,0	291,3	3,099,7	229,3	40,9	147,0	607,0	3,222,8
84th Street	200,0	204,1	1,120,0	238,6	26,4	112,0	1,127,0	
Borough of								
Brooklyn.								
Borough	900,0	114,1	1,947,5	37,7	178,0	252,2	145,8	2,340,2
Broadway	150,0	364,8	2,771,6	19,7	207,7	224,0	82,0	2,974,8
Brooklyn Nat.	300,0	164,0	2,012,0	109,0	61,2	219,1	23,6	2,141,5
Mrs. Nat.	252,0	628,0	3,959,2	395,7	136,6	547,8	263,0	4,844,6
Mechanics'	1,000,0	773,5	10,329,0	330,0	731,5	977,9	170,1	12,091,7
Nassau Nat.	300,0	788,7	5,439,0	214,0	407,0	823,9	58,0	5,899,0
Nat. City	300,0	592,2	3,453,0	141,0	297,0	687,1	165,0	4,076,0
North Side	100,0	187,9	1,799,0	25,8	113,9	41,0	174,1	1,889,9
Peoples'	100,0	206,5	1,368,8	82,8	145,0	120,2	13,4	2,243,8
17th Ward	100,0	143,5	1,935,6	11,9	74,1	92,0	1,000,0	
Union	300,0	197,5	5,746,6	138,0	277,0	410,0	444,0	6,723,0
Wababout	100,0	101,3	987,0	63,7	34,8	32,9	146,8	1,083,0
JERSEY CITY.								
First Nat.	400,0	1,108,0	5,108,0	175,1	310,7	1,838,3	438,0	6,388,7
Hudson Co.								
National	250,0	663,2	2,373,2	80,0	74,4	241,0	148,3	2,072,0
Second Nat.	250,0	104,4	988,3	54,3	107,1	145,7	9,3	9,28,3
Third Nat.	200,0	304,8	1,670,1	55,2	62,5	305,8	28,1	1,921,2
HOBOKEN.								
First Nat.	110,0	553,4	2,765,0	197,3	38,9	165,2	275,5	2,510,5
Second Nat.	125,0	170,6	1,365,0	52,7	55,1	63,0	83,0	1,277,4
Tot. Oct. 14	122,370	397,732	1,314,449	6,009,3	7,069,9	25,600	5,404,2	14,342,25
Tot. Oct. 7	122,370	397,732	1,314,449	6,009,3	7,069,9	25,600	5,404,2	14,342,25
Tot. Sep. 30	122,370	397,732	1,314,449	6,009,3	7,069,9	25,600	5,404,2	14,342,25

New York City, Boston and Philadelphia Banks.—Below is a summary of the weekly returns of the Clearing House Banks of New York City, Boston and Philadelphia. The New York figures do not include results for non-member banks.

We omit two ciphers (00) in all cases.

BANKS.	Capital & Surplus.	Loans.	Specie.	Legals.	De- posits.	Circu- lation.	Clearings.
\$	\$	\$	\$	\$	\$	\$	\$
N. Y.							
Sep. 23	256,133,5	107,644,06	290,454,4	75,579,6	108,319,8	53,712,8	1,596,274,0
Sep. 30	256,133,5	107,644,06	290,454,4	75,579,6	108,319,8	53,712,8	1,596,274,0
Oct. 7	256,133,5	107,644,06	290,454,4	75,579,6	108,319,8	53,712,8	1,596,274,0
Oct. 14	256,133,5	107,644,06	290,454,4	75,579,6	108,319,8	53,712,8	1,596,274,0
Bos.							
Sep. 30	42,167,5	189,398,0	17,382,0	5,672,0	216,649,0	7,580,0	134,516,5
Oct. 7	42,167,5	189,398,0	17,382,0	5,672,0	216,649,0	7,580,0	134,516,5
Oct. 14	42,167,5	189,398,0	17,382,0	5,672,0	216,649,0	7,580,0	134,516,5
Phila.							
Sep. 30	48,835,0	223,413,0	60,699,0	258,930,0	12,866,0	141,483,4	141,483,4
Oct. 7	48,835,0	223,413,0	60,699,0	258,930,0	12,866,0	141,483,4	141,483,4
Oct. 14	48,835,0	223,413,0	60,699,0	258,930,0	12,866,0	141,483,4	141,483,4

† Including for Boston and Philadelphia the item "due to other banks," and also Government deposits. For Boston these Government deposits amounted on October 14 to \$1,387,000; on October 7 to \$1,376,000.

Imports and Exports for the Week.—The following are the imports at New York for the week ending for dry goods Oct. 13; and for the week ending for general merchandise Oct. 13; also totals since beginning first week January.

FOREIGN IMPORTS.

For week.	1905.	1904.	1903.	1902.
Dry Goods.....	\$2,836,332	\$1,979,124	\$1,931,603	\$2,672,861
General Merchandise.....	12,924,332	9,513,631	7,793,056	8,646,675
Total.....	\$15,760,664	\$11,792,755	\$9,634,659	\$11,229,536
Since Jan. 1.				
Dry Goods.....	\$111,937,674	\$95,251,866	\$105,260,060	\$99,248,412
General Merchandise.....	435,495,747	370,581,008	361,380,886	334,397,565
Total 41 weeks.....	\$547,433,723	\$465,832,874	\$466,546,206	\$442,641,017

Bankers' Gazette.

For Dividends see page 1020.

Wall Street, Friday Night, Oct. 20 1905.

The Money Market and Financial Situation.—Business at the Stock Exchange has been in moderate volume this week until to-day. Saturday's bank statement showed a substantially increased surplus reserve, and the money market, which continues to be a dominant factor, is easier; but whether permanently so is problematical, and for this or other reasons investors and Stock Exchange traders are apparently exercising more or less caution in their operations. To-day's market has been suggestive of less conservatism, although some of the rather sharp advances of the early hours were modified before the close.

The Bank of England's weekly statement showed a larger per cent of reserve than for several weeks past, and in London as well as here there is a tendency to somewhat easier money market conditions.

The foreign exchange market is firmer, a cause for which is perhaps found in the Government report of our international trade for September, just issued. This shows that our surplus agricultural products are not moving freely to foreign markets while our imports are unusually heavy.

Railroads are reporting a larger traffic movement than can readily be accommodated with present equipment, especially in the Middle West. Large orders for additional rolling stock have been announced this week, but before this new equipment is available it is feared that much delay will result.

The open market rates for call loans on the Stock Exchange during the week on stock and bond collaterals have ranged from 3 to 6%. To-day's rates on call were 3@5%. Prime commercial paper quoted at 5% for endorsements and 5@5½% for best single names.

The Bank of England weekly statement on Thursday showed an increase in bullion of £652,261 and the percentage of reserve to liabilities was 43.21, against 41.47 last week. The discount rate remains unchanged at 4%. The Bank of France shows a decrease of 4,075,000 francs in gold.

NEW YORK CITY CLEARING-HOUSE BANKS.

	1905 Oct. 14	Differences from previous week	1904 Oct. 15	1903 Oct. 17
Capital	115,872,700		115,872,700	115,872,700
Surplus	140,160,800		134,643,500	129,874,300
Loans & discounts	1,030,284,300	Dec 29,456,600	1,134,013,400	908,495,500
Circulation	64,168,900	Inc 13,400	42,288,000	45,725,200
Net deposits	1,028,157,600	Dec 33,104,100	1,193,237,700	891,271,400
Specie	191,562,100	Dec 3,086,300	237,745,000	171,870,500
Legal tenders	74,798,700	Inc 735,500	76,522,300	68,505,300
Reserve held	266,750,800	Dec 3,350,800	314,287,300	240,376,100
33 p. c. of deposits	266,539,400	Dec 8,276,025	298,309,425	222,947,850
Surplus reserve	10,211,400	Inc 5,925,225	15,987,875	17,433,250

* \$8,473,700 United States deposits included, against \$8,419,500 last week and \$23,262,700 the corresponding week of 1904. With these United States deposits eliminated, the surplus reserve would be \$12,329,825 on October 14 and \$6,391,650 on October 7.

NOTE.—Returns of separate banks appear on the preceding page.

Foreign Exchange.—The market was strong this week, influenced by a demand to cover maturing finance bills. There was also an inquiry for drafts for such cover the delivery of which on contracts had not been effected, and consequently the contractors were compelled to meet their engagements through purchases at the market; the tone was strong at the close at the best prices of the week. Gold arrivals from London, \$575,000.

To-day's (Friday's) nominal rates for sterling exchange were 4 83@4 83½ for sixty day and 4 86½@4 87½ for sight. To-day's (Friday's) actual rates for sterling exchange were 4 8290@4 83 for long 4 8665@4 8670 for short and 4 8725@4 8730 for cables. Commercial on banks 4 8250@4 8265 and documents for payment 4 82¼@4 83¼. Cotton for payment 4 82¼@4 82½, cotton for acceptance 4 8250@4 8265 and grain for payment 4 83½@4 83¾.

To-day's (Friday's) actual rates for Paris bankers' francs were 5 19½@5 19¾ for long and 5 16¼@5 16½ for short. Germany bankers' marks were 94 7-16@94½ for long and 95 3-16@95 3-16 for short. Amsterdam bankers' guilders were 40 1-16@40¼ for short.

Exchange at Paris on London to-day 25f. 16½c. Week's range 25f. 17c. high and 25f. 14½c. low.

The week's range for exchange rates follows:

	Long	Short	Cables
Sterling, actual—			
High	4 8290	4 83	4 8665
Low	4 8225	4 8240	4 8585
Paris Bankers' Francs—			
High	5 19½	5 19¾	5 16¼
Low	5 20	5 19¾	5 17½
Germany Bankers' Marks—			
High	94 7-16	94½	95 3-16
Low	94½	94 7-16	95 1-16
Amsterdam Bankers' Guilders—			
High	40 1-16	40¼	40 1-16
Low	40 1-16	40 1-16	40 1-16
Plus: 1-16 of 1%.	1-16 of 1%.	1-16 of 1%.	1-16 of 1%.

The following were the rates for domestic exchange on New York at the under-mentioned cities to-day: Savannah, buying 50c. per \$1,000 discount; selling, 75c. per \$1,000 premium. Charleston, 12½c. per \$1,000 premium. New Orleans bank, 25c. per \$1,000 discount; commercial, 50c. discount. Chicago, 10c. per \$1,000 premium; St. Louis, 20c. per \$1,000 discount; San Francisco, 35c. per \$1,000 premium.

State and Railroad Bonds.—Sales of domestic State bonds at the Board \$20,000 Virginia 6s def. trust receipts at 15¼.

The market for railway and industrial bonds presents no new characteristics. The transaction in this department have been on a relatively larger scale, made so by the movement of Japanese issues and a few industrial bonds.

United States Bonds.—Sales of Government bonds at the Board include \$2,000 3s, coup., 1908-18, at 104½; \$2,000 3s reg., 1908-18, at 103 to 103¾; \$10,000 4s, coup., 1925, at 134½, and \$10,000 4s coup., 1907, at 105 to 105½. The following are the daily closing quotations; for yearly range see third page following.

	Interest Periods	Oct 14	Oct 16	Oct 17	Oct 18	Oct 19	Oct 20
2s, 1930	registered Q—Jan	103¾	103¾	103¾	103¾	103¾	103¾
2s, 1930	coupon Q—Jan	103¾	103¾	103¾	103¾	103¾	103¾
3s, 1908-1918	registered Q—Feb	103¾	103¾	103¾	103¾	103¾	103¾
3s, 1908-1918	coupon Q—Feb	103¾	103¾	103¾	103¾	103¾	103¾
3s, 1908-1918	small, coup Q—Feb	103¾	103¾	103¾	103¾	103¾	103¾
4s, 1907	registered Q—Jan	104¾	104¾	104¾	104¾	104¾	104¾
4s, 1907	coupon Q—Jan	104¾	104¾	104¾	104¾	104¾	104¾
4s, 1925	registered Q—Feb	133¾	133¾	133¾	133¾	133¾	133¾
4s, 1925	coupon Q—Feb	134¾	134¾	134¾	134¾	134¾	134¾

* This is the price bid at the morning board; no sale was made.

Railroad and Miscellaneous Stocks.—The stock market has been notably less active than last week until to-day, and fluctuations have generally been within a much narrower range. Monday's market was dull and steady, the total transactions amounting to less than 400,000 shares—the smallest in several months. On Tuesday and Wednesday there was a tendency to weakness. This tendency was reversed on Thursday, and in many cases the previous losses of the week were recovered. Activity revived to-day on the more favorable outlook in the money market and other influences, and the market displayed a more buoyant tendency than for some time past.

The anthracite coal stocks have continued exceptionally strong. Central of New Jersey was quoted ex-dividend on Tuesday, and to-day sold at 228, or 12 points above last week's closing price, and the highest in recent years. At the same time Delaware & Hudson showed an advance of 6 points, Lackawanna 9, and Reading is nearly 3 points higher. Northern Pacific and Great Northern declined about 3 points, but recovered, while a large portion of the active railway list, after to-day's advance, is higher.

Of the miscellaneous and industrial issues, electrical and railway equipment stocks have been notably strong, led by General Electric, Westinghouse, American Locomotive and Pressed Steel Car. Other stocks, including United States Steel common and preferred, are also fractionally higher.

For daily volume of business see page 1232.

The following sales have occurred this week of shares not represented in our detailed list on the pages which follow.

STOCKS	Week Ending Oct 20	Range for week	Range since Jan 1
Amer Beet Sugar	200	24½ Oct 17 24½ Oct 17	23½ Aug 84½ Mar
Preferred	200	82½ Oct 16 82½ Oct 16	77 Jan 86 Sep
Amer Dist Telegraph	1,500	35 Oct 19 40 Oct 20	29 May 40 Oct
Ansco Merchants, 1st pref	100	109 Oct 18 109 Oct 18	96 Jan 110½ Oct
Cleveland & Pittsburgh	100	183½ Oct 17 183½ Oct 17	182 Sep 185 Jan
Detroit Sou Tr Co cfs.	400	11½ Oct 19 11½ Oct 19	8 Jul 12½ Sep
Ft Worth & D C stamped	100	75 Oct 20 75 Oct 20	44 Jan 73 Aug
General Chemical	100	72½ Oct 20 72½ Oct 20	58 Mar 72½ Oct
Preferred	300	106½ Oct 19 107½ Oct 18	101 Apr 107½ Oct
Internat Steam Pump	100	27 Oct 20 27 Oct 20	27 Jul 40½ Feb
Preferred	10	85 Oct 14 85 Oct 14	78½ May 88½ Apr
Kanawha & Mich	200	35 Oct 20 35 Oct 20	29½ May 39 Mar
N Y & N J Telephone	210	168½ Oct 20 170 Oct 19	167 Jan 174 Mar
Norfolk & Southern	50	50 Oct 19 50 Oct 19	40 Sep 50 Oct
RR Securities Ill Cent'l	300	98 Oct 17 99 Oct 18	92 Jan 100½ Aug
stock trust certificates	1,200	13½ Oct 14 16 Oct 14	11 Apr 16 Oct
U S Leather	600	113½ Oct 19 115½ Oct 14	100½ Jan 115½ Oct
Preferred	1,600	10 Oct 20 11½ Oct 20	8 Apr 14½ Apr
Yucon Bedding	1,600	10 Oct 20 11½ Oct 20	8 Apr 14½ Apr

Outside Market.—After a dull and uninteresting market most of the week, trading on the curb assumed an animated appearance to-day, in sympathy with the strength on the New York Stock Exchange. Chicago Subway was again the most prominent feature of the week. Various rumors were afloat concerning the company and reassuring statements regarding its condition are reported to have been made by the company's financial representative here. From 51¼, the close last Friday, the stock dropped to 40, then rose to 52½ and fell back again to 39½. It recovered part of the loss later and closes to-day at 44¼. Western Maryland was fairly active, advancing 4½ points to 32½, and ending the week at this figure. Interborough Rapid Transit made a gain of 2 points to 215½, but then declined to 212, the close to-day. International Mercantile attracted attention, although fluctuations were small. From 36½ the preferred got as high as 37½, dropping to 35¼, and closing to-day at 36; the common moved between 13½ and 14½. A good business was done in Houston Oil stocks with appreciable gains in the price, the preferred advancing 4 points to 36; the common gained 2 points to 8¼. Standard Oil, after advancing 4 points to 67½, dropped to 668, but advanced again to 671½. Buffalo Gas, which has been inactive for some time, sold up 3½ points to 12 for the common; a few shares of the preferred sold at 22½. American Writing Paper preferred, after selling between 32¼ and 33½, advanced to 35¼ to-day. International Salt was conspicuous for a rise of 4½ points to 34. Trading in the mining group was dull most of the week at declining prices, but to-day tran actions were on a large scale, with values fractionally higher in most instances.

Outside quotations will be found on page 1232.

New York Stock Exchange—Stock Record, Daily, Weekly and Yearly

OCCUPYING TWO PAGES

STOCKS—HIGHEST AND LOWEST SALE PRICES

STOCKS—HIGHEST AND LOWEST SALE PRICES						STOCKS		Sales of the Week		Range for Year 1905		Range for Previous Year (1904)	
Saturday Oct 14	Monday Oct 16	Tuesday Oct 17	Wednesday Oct 18	Thursday Oct 19	Friday Oct 20	NEW YORK STOCK EXCHANGE		Shares		Lowest	Highest	Lowest	Highest
88 1/2	88 1/2	88 1/2	88 1/2	88 1/2	88 1/2	Atch. Topeka & Santa Fe	20,300	77 1/2	May 22	93 1/2	Mar 9	64	Feb 89 1/2
102 1/2	104 1/2	104 1/2	104 1/2	104 1/2	104 1/2	Do pref.	1,400	90	Jan 25	105 1/2	Sep 1	87 1/2	Jan 104 1/2
112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	Atlantic Coast Line R.R.	1,000	120	Jan 25	170	Apr 24	104 1/2	Feb 105 1/2
96 1/2	97 1/2	96 1/2	97 1/2	96 1/2	97 1/2	Baltimore & Ohio	21,500	100 1/2	Jan 25	117	Aug 14	7 1/2	Mar 103 1/2
72 1/2	72 1/2	71 1/2	72 1/2	71 1/2	72 1/2	Do pref.	20	91	Mar 9	100	Aug 10	87	Feb 90 1/2
86 1/2	86 1/2	86 1/2	86 1/2	86 1/2	86 1/2	Brooklyn Rapid Transit	235,000	58 1/2	May 23	78 1/2	Oct 20	38	Feb 70 1/2
172 1/2	172 1/2	170 1/2	171 1/2	170 1/2	171 1/2	Buffalo & Susquehanna pref.	89,500	87	Sep 10	111 1/2	May 13	83	Nov 88 1/2
68 1/2	68 1/2	68 1/2	68 1/2	68 1/2	68 1/2	Canadian Pacific	400	67 1/2	Jan 11	74 1/2	Aug 14	64	Apr 72 1/2
216 1/2	219 1/2	219 1/2	224 1/2	224 1/2	224 1/2	Central of New Jersey	8,950	190	May 23	228	Oct 2	154 1/2	Feb 194 1/2
57 1/2	57 1/2	57 1/2	57 1/2	57 1/2	57 1/2	Chesapeake & Ohio	22,100	45 1/2	May 22	60 1/2	Mar 21	28 1/2	Mar 51 1/2
30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	Chicago & Alton	1,900	81	May 2	44 1/2	Mar 15	35	Jan 47 1/2
75 1/2	75 1/2	75 1/2	75 1/2	75 1/2	75 1/2	Chicago Great Western	13,980	17 1/2	May 23	25 1/2	Mar 10	13 1/2	Jan 20 1/2
21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	Do 4 p.c. debentures	200	83 1/2	May 29	89	Sep 29	80 1/2	July 10 1/2
87 1/2	87 1/2	87 1/2	87 1/2	87 1/2	87 1/2	Do 5 p.c. pref. "A"	600	80	Jan 30	78 1/2	Sep 21	47 1/2	Jan 74 1/2
180 1/2	180 1/2	179 1/2	180 1/2	179 1/2	180 1/2	Chicago M.W. & St. Paul	40,700	168 1/2	May 4	187 1/2	Apr 17	137 1/2	Feb 177 1/2
187 1/2	188 1/2	187 1/2	188 1/2	187 1/2	188 1/2	Do pref.	300	182 1/2	Jan 13	192 1/2	Apr 17	173 1/2	Mar 185 1/2
217 1/2	217 1/2	217 1/2	217 1/2	217 1/2	217 1/2	Chicago & North Western	8,521	190 1/2	Jan 9	249	Jan 31	161 1/2	Mar 214 1/2
238 1/2	244 1/2	244 1/2	244 1/2	244 1/2	244 1/2	Chicago Union Trust	1,900	22 1/2	Jan 13	265 1/2	Feb 1	197 1/2	Jan 22 1/2
185 1/2	185 1/2	185 1/2	185 1/2	185 1/2	185 1/2	Chicago, St. Paul, Minn. & Om.	525	150	Jan 23	225	Jan 31	135	Mar 160 1/2
190 200	190 200	190 200	190 200	190 200	190 200	Do pref.	195	Jan 23	230	Jan 31	163 1/2	Apr 192 1/2	
18 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2	Chicago Term Transfer	600	7 1/2	Jan 5	20	Jan 23	8 1/2	Aug 16 1/2
30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	Do pref.	1,300	17 1/2	Jan 4	42 1/2	July 5	11 1/2	Jan 27 1/2
12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	Chicago Union Trust	2,000	6	Jan 2	13 1/2	Feb 2	4	July 15 1/2
42 1/2	42 1/2	42 1/2	42 1/2	42 1/2	42 1/2	Do pref.	1,300	30 1/2	July 22	44	Feb 3	29	May 45 1/2
99 1/2	99 1/2	99 1/2	99 1/2	99 1/2	99 1/2	Cleveland, Cin. & St. L.	700	90	Jan 14	111	Mar 21	68 1/2	May 93 1/2
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	Do pref.	115 1/2	July 26	131 1/2	Mar 11	100	Feb 117 1/2	
62 1/2	62 1/2	62 1/2	62 1/2	62 1/2	62 1/2	Cotton & Western	1,300	37 1/2	Jan 30	30 1/2	Apr 20	18 1/2	Jan 24 1/2
43 1/2	43 1/2	43 1/2	43 1/2	43 1/2	43 1/2	Do 1st preferred	600	82	May 23	64 1/2	Feb 10	48 1/2	Jan 68 1/2
252 1/2	252 1/2	252 1/2	252 1/2	252 1/2	252 1/2	Do 2d preferred	4,410	32 1/2	May 23	45 1/2	Sep 21	17 1/2	Jan 37 1/2
480 1/2	480 1/2	480 1/2	480 1/2	480 1/2	480 1/2	Delaware & Hudson	21,512	178 1/2	May 22	227 1/2	Oct 20	149 1/2	Mar 190 1/2
83 1/2	83 1/2	83 1/2	83 1/2	83 1/2	83 1/2	Do pref.	900	23 1/2	Jan 30	49 1/2	Oct 18	16 1/2	Jan 38 1/2
87 1/2	87 1/2	87 1/2	87 1/2	87 1/2	87 1/2	Denver & Rio Grande	400	27 1/2	May 23	37 1/2	Sep 18	18 1/2	Mar 35 1/2
15 1/2	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2	Do pref.	700	83 1/2	May 1	91	Mar 10	64 1/2	Feb 79 1/2
35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	Des Moines & Ft. Dodge	18	Jan 22	25 1/2	Mar 17	19	Jan 27 1/2	Dec 27 1/2
45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	Detroit & W. Mich. & O.	700	78 1/2	Jan 30	90 1/2	Aug 1	60 1/2	Jan 79 1/2
72 1/2	72 1/2	72 1/2	72 1/2	72 1/2	72 1/2	Dunsmuir, So. Shore & Atl.	410	11 1/2	May 23	17 1/2	Jan 21	6 1/2	Jan 14 1/2
85 1/2	85 1/2	85 1/2	85 1/2	85 1/2	85 1/2	Do pref.	1,550	21	May 23	37	Jan 21	9 1/2	Aug 28 1/2
230 321	230 321	230 321	230 321	230 321	230 321	Erie	87,275	37 1/2	May 22	52 1/2	Aug 29	21 1/2	Mar 41 1/2
24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	Do 1st pref.	2,403	55 1/2	Jan 3	75 1/2	Aug 24	33	Mar 54 1/2
75 1/2	75 1/2	75 1/2	75 1/2	75 1/2	75 1/2	Do 2d pref.	100	63 1/2	July 6	75	Aug 11	64 1/2	July 87 1/2
85 1/2	85 1/2	85 1/2	85 1/2	85 1/2	85 1/2	Evansville & Terre Haute	90	Feb 28	98	Aug 12	72	Feb 83 1/2	
230 321	230 321	230 321	230 321	230 321	230 321	Do pref.	4,831	236	Jan 4	435	Apr 17	170	Mar 243 1/2
24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	Great Northern, pref.	1,100	90	Jan 18	90	Jan 18	11 1/2	Nov 200 1/2
72 1/2	72 1/2	72 1/2	72 1/2	72 1/2	72 1/2	Green Bay & W. Mich. & O.	1,100	17	May 22	24 1/2	Jan 19	11 1/2	Nov 200 1/2
85 1/2	85 1/2	85 1/2	85 1/2	85 1/2	85 1/2	Do deb. 4 p.c.	600	15	Apr 24	27	Oct 20	10	Nov 200 1/2
161 1/2	161 1/2	161 1/2	161 1/2	161 1/2	161 1/2	Havana Electric	628	50	Jan 15	74	Aug 14	34	Nov 84 1/2
80 1/2	80 1/2	80 1/2	80 1/2	80 1/2	80 1/2	Do pref.	270	90	Jan 18	90	Mar 13	77	Mar 95 1/2
128 1/2	128 1/2	128 1/2	128 1/2	128 1/2	128 1/2	Hocking Valley	5,878	152 1/2	Jan 18	188	Sep 28	125 1/2	Feb 159 1/2
24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	Illinois Central	2,250	24	May 24	33	Feb 3	14 1/2	Jan 33 1/2
100 108	104 1/2	104 1/2	104 1/2	104 1/2	104 1/2	Iowa Central	2,250	24	May 24	33	Feb 3	14 1/2	Jan 33 1/2
139 138	138 1/2	138 1/2	138 1/2	138 1/2	138 1/2	Do pref.	2,250	24	May 24	33	Feb 3	14 1/2	Jan 33 1/2
32 1/2	32 1/2	32 1/2	32 1/2	32 1/2	32 1/2	K.C. & Texas	830	81 1/2	Jan 19	88 1/2	Sep 29	64 1/2	Nov 83 1/2
87 1/2	87 1/2	87 1/2	87 1/2	87 1/2	87 1/2	Kansas City Southern	100	22 1/2	May 22	34	Feb 14	16 1/2	Feb 31 1/2
104 104	104 1/2	104 1/2	104 1/2	104 1/2	104 1/2	Do pref.	52	Jan 3	70	Feb 14	31	Feb 50 1/2	
148 151	148 1/2	148 1/2	148 1/2	148 1/2	148 1/2	Lake Erie & Western	28	Mar 14	44 1/2	Mar 14	28 1/2	Mar 43 1/2	
30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	Do 1st pref.	91	100	Jan 10	100	Mar 13	55	Jan 103 1/2
190 200	190 200	190 200	190 200	190 200	190 200	Lake Erie & Western	497	230	Jan 2	350	Mar 13	225	Nov 300 1/2
149 149	149 1/2	149 1/2	149 1/2	149 1/2	149 1/2	Lake Erie & Western	2,700	50 1/2	May 22	71 1/2	Aug 23	46 1/2	Nov 82 1/2
53 54	53 1/2	53 1/2	53 1/2	53 1/2	53 1/2	Long Island	28,300	254 1/2	Jan 25	275 1/2	Sep 23	191 1/2	Feb 254 1/2
112 120	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	Louisville & Nashville	28,300	254 1/2	Jan 25	275 1/2	Sep 23	191 1/2	Feb 254 1/2
83 86	83 1/2	83 1/2	83 1/2	83 1/2	83 1/2	Metrop. Secur. sub. red.	14,650	73	Jan 9	91	Mar 17	72 1/2	Mar 95 1/2
205 207 1/2	206 1/2	206 1/2	206 1/2	206 1/2	206 1/2	Metropolitan Street	18,570	114	May 11	133	Aug 18	104 1/2	Mar 130 1/2
54 54	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	Mexican Central	16,300	18 1/2	May 22	26	Mar 13	5	Apr 23 1/2
85 1/2	85 1/2	85 1/2	85 1/2	85 1/2	85 1/2	Minneapolis & St. Louis	1,130	130	Jan 12	145	Aug 12	118 1/2	Nov 149 1/2
90 92	90 1/2	90 1/2	90 1/2	90 1/2	90 1/2	Do pref.	4,150	56 1/2	Jan 12	84 1/2	Oct 1	40 1/2	July 67 1/2
207 207	208 1/2	208 1/2	208 1/2	208 1/2	208 1/2	Do 1st pref.	400	88	Jan 19	108	Oct 16	80 1/2	July 98 1/2
107 107	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	Minn. S. P. & S. M. R.	2,600	89 1/2	Jan 11	144	Sep 20	58 1/2	Jan 95 1/2
103 107	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	Do pref.	1,000	104	Jan 17	117 1/2	Sep 19	118 1/2	Nov 149 1/2
108 108	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	Mo. Kansas & Texas	41,600	24	May 23	35	Aug 30	14 1/2	Feb 36 1/2
143 144 1/2	143 1/2	143 1/2	143 1/2	143 1/2	143 1/2	Do pref.	2,560	56 1/2	May 23	73	Aug 25	32 1/2	Nov 55 1/2
40 40	40 1/2	40 1/2	40 1/2	40 1/2	40 1/2	Missouri Pacific	12,800	94 1/2	May 22	110 1/2	Mar 13	87	Feb 111 1/2
80 82	80 1/2	80 1/2	80 1/2	80 1/2	80 1/2	Nash, Chatt. & St. Louis	1,300	33 1/2	May 8	45	Jan 16	34 1/2	Nov 45 1/2
108 112	108 1/2	108 1/2	108 1/2	108 1/2	108 1/2	Do 2d pref.	17 1/2	June 20	24	Jan 10	15 1/2	Feb 25 1/2	
121 121 1/2	120 1/2	120 1/2	120 1/2	120 1/2	120 1/2	N. Y. Central & Hudson	39,175	138 1/2	May 22	167 1/2	Mar 14	112 1/2	Mar 145 1/2
88 90	88 1/2	88 1/2	88 1/2	88 1/2	88 1/2	N. Y. Central & Hudson	1,000	42	Jan 20	56 1/2	Sep 22	25	Mar 47 1/2
78 1/2	78 1/2	78 1/2	78 1/2	78 1/2	78 1/2	N. Y. C. & St. Louis	1,000	104	Jan 17	117 1/2	Sep 19	118 1/2	Nov 149 1/2
77 80	77 1/2	77 1/2	77 1/2	77 1/2	77 1/2	Do 2d pref.	74	Mar 4	66 1/2	Oct 2	60 1/2	Jan 78 1/2	
185 195	185 1/2	185 1/2	185 1/2	185 1/2	185 1/2	N. Y. N. Haven & Hartf.	310	110					

STOCKS—HIGHEST AND LOWEST SALE PRICES

STOCKS—HIGHEST AND LOWEST SALE PRICES					STOCKS		Range for Year 1905		Range for Previous Year (1904)	
Saturday Oct 14	Monday Oct 16	Tuesday Oct 17	Wednesday Oct 18	Thursday Oct 19	Friday Oct 20	NEW YORK STOCK EXCHANGE	Lowest	Highest	Lowest	Highest
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Third Avenue (N. Y.)...	550	124 Apr 2	134 Feb 1	115 Mar 134 Oct
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	United Railways & Light	720	224 Jan 3	374 Apr 12	174 Jan 374 Oct
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref. vol. tr. etc.	600	34 May 2	434 Apr 1	214 May 35 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref. vol. tr. etc.	1,000	514 Jan 2	58 Apr 12	32 Feb 57 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Twin City Rapid Transit	800	105 Jan 4	123 Apr 4	87 Feb 107 Oct
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	1,000	103 May 17	104 June 20	158 Aug 215 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Union Pacific	278 3/8	113 Jan 6	134 Aug 20	71 Mar 117 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	1,500	95 Oct 2	101 Feb 13	86 Feb 94 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	United Ry. Inv't of San Fran	1,700	21 Jan 4	79 Sep 14	9 Feb 25 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	3,600	64 Jan 16	92 Oct 2	42 Apr 68 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	United Ry. of St. Lou. pref	120	80 July 7	82 Oct 10	15 May 25 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	1,200	17 May 2	24 Sep 1	15 May 25 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Wheeling & Lake Erie	3,200	37 May 23	48 Feb 28	32 Feb 48 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	200	15 May 1	19 Mar 13	14 July 22 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	300	36 May 4	48 Feb 1	37 July 52 Jan
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Wisconsin Central	3,420	20 May 4	28 Mar 13	21 Jan 32 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	5,000	45 Jan 20	33 Aug 21	16 Jan 25 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Industrial & Miscell	15	4230 Jan 9	4250 Feb 7	4220 Feb 250 Oct
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Adams Express	17,150	13 May 4	19 Aug 1	6 Mar 214 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	11,800	40 May 4	68 Feb 17	39 Mar 71 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Amalgamated Copper	241,940	70 Jan 25	89 Apr 14	43 Apr 82 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Amer. Agric. Chem.	100	20 Jan 24	20 Apr 16	13 Mar 24 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Amer. Ice Securit.	111,500	31 May 22	43 Apr 14	14 July 35 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Amer. Can & Foundry	3,700	21 Jan 25	104 Apr 6	67 Jan 94 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	2,000	27 July 19	33 Apr 3	24 Jan 37 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	American Cotton Oil	1,200	17 May 2	24 Sep 1	15 May 25 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	100	103 Jan 4	246 Feb 27	150 Jan 219 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	American Express	1,150	4 Aug 17	14 Jan 4	5 Aug 14 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Amer. Hosiery & Leather	2,300	6 June 7	11 Jan 14	21 Jan 114 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	6,000	79 Jan 8	131 Aug 1	45 Feb 82 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	American L. Securit.	4,200	24 July 12	29 Aug 1	20 July 57 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	American Linseed	400	15 Jan 17	22 Apr 17	7 Jan 20 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	100	36 Jan 19	43 Apr 17	22 July 42 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	American Locomotive	227,250	33 Jan 23	68 Jan 23	18 Jan 120 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Amer. Malt	9,400	103 Jan 6	123 Apr 15	75 Jan 105 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	American Malt	600	4 Sep 2	8 Jan 14	23 Jan 9 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	1,800	20 June 9	28 Mar 10	16 Jan 29 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Amer. Smelters See pref B	1,400	97 Sep 1	100 Oct 16	85 Jan 99 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Amer. Smelt'g & Refin'g	84,400	79 Jan 8	131 Aug 1	45 Feb 82 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	200	111 Jan 13	128 Aug 23	88 Jan 115 Oct
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	American Steel Foundry	200	163 May 31	200 Aug 20	110 Jan 170 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	100	103 Jan 4	246 Feb 27	150 Jan 219 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	American Sugar Refining	7,900	130 May 22	104 Apr 6	67 Jan 94 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	200	133 May 10	141 Mar 1	123 Jan 141 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Amer. Teleph. & Tele.	2,200	130 May 22	104 Apr 6	67 Jan 94 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Amer. Tobacco (new) pref.	7,300	91 Jan 26	104 Apr 16	85 Nov 96 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	American Woolen	38,420	20 Jan 26	40 Apr 18	10 Jan 25 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	600	9 Jan 6	108 Mar 15	69 Jan 94 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Anaconda Copper	1,000	104 Oct 19	125 Feb 14	185 Mar 229 Oct
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	100	104 Oct 19	125 Feb 14	185 Mar 229 Oct
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Brunswick & C. Imp.	1,000	10 Jan 16	16 Apr 18	6 Jan 124 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Butterick Co.	50	7 Jan 1	60 Jan 18	47 Feb 62 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	100	10 Jan 16	16 Apr 18	6 Jan 124 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Central Leather	16,450	40 Sep 11	47 July 1	100 Jan 100 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Colorado Fuel & Iron	9,220	38 Sep 16	108 Aug 10	25 May 56 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	80	Aug 17	105 Mar 24	63 Apr 93 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Col. & Hock. Coal & Iron	4,400	11 May 24	18 Jan 30	8 Jan 193 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Consolidated Gas (N. Y.)	5,150	120 Sep 26	214 Apr 6	18 Feb 220 Oct
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Corn Products	20,420	89 Jan 8	22 Feb 7	9 Jan 204 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	5,100	40 Aug 9	72 Jan 16	65 May 82 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Distillers Securit. Corp.	4,950	34 Jan 25	47 Apr 6	19 Jan 48 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Electric Storage Battery	1,200	60 Jan 25	67 Feb 27	8 Jan 78 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	General Electric	2,400	100 Jan 12	128 Apr 10	75 Jan 96 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	4,200	75 Jan 5	107 Apr 7	71 Nov 90 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	International Paper	12,300	109 May 20	192 Mar 10	61 Jan 194 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	International Paper	5,200	18 Jan 25	25 Mar 11	104 May 56 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	700	75 Jan 5	107 Apr 7	71 Nov 90 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	International Paper	900	48 Oct 18	100 Feb 23	26 Mar 72 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Kulokkerboer (see Chic)	700	10 Jan 16	34 July 20	8 Sep 12 Oct
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	60	Jan 1	76 Apr 6	48 Jan 65 Oct
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	N. O. pref.	1,100	11 Aug 12	120 Mar 18	100 Jan 117 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Nat. Enameling & Stamp'g	1,100	11 Aug 12	120 Mar 18	100 Jan 117 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	100	80 Aug 12	94 Apr 1	75 July 87 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	National Lead	7,500	24 Jan 24	514 Apr 6	14 Feb 264 Oct
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Do pref.	200	87 Jan 1	111 Feb 20	80 Jan 95 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	New York Air Brake	2,300	140 May 22	161 Apr 15	120 Feb 164 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	New American Co., new	2,400	36 Oct 17	107 Apr 17	80 Mar 107 Nov
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Pacific Mail	7,800	33 May 22	49 Jan 4	34 Feb 78 Dec
124 124 1/2	125 125 1/2	124 125 1/2	124 124 1/2	125 125	125 125 1/2	Petrol. Gas & L. C. Chic.	7,200	97 May 16	112 Apr 10	92 Mar 11

OCCUPYING FOUR PAGES

MISCELLANEOUS BONDS—Continued on Next Page.

* No price Friday; latest price this week. d Due Jan d Due Apr e Due May g Due June h Due July k Due Aug o Due Oct p Due Nov s Option sale

[illegible]

BONDS										BONDS									
N. Y. STOCK EXCHANGE										N. Y. STOCK EXCHANGE									
WEEK ENDING OCTOBER 20										WEEK ENDING OCTOBER 20									
Last Friday										Last Friday									
Bid										Bid									
Ask										Ask									
Low										Low									
High										High									
No										No									
Loss										Loss									
High										High									
Since										Since									
January 1										January 1									
N. Y. Cent & H. R.—Continued										N. Y. Cent & H. R.—Continued									
Nor & Mont 1st gen 5a. 1916	A	O	109	109	109	109	109	109	109	Nor & Mont 1st gen 5a. 1916	A	O	109	109	109	109	109	109	
West Shore 1st 4a gen. 2361	J	J	109	109	109	109	109	109	109	West Shore 1st 4a gen. 2361	J	J	109	109	109	109	109	109	
Registered. 2361	J	J	109	109	109	109	109	109	109	Registered. 2361	J	J	109	109	109	109	109	109	
Lake Shore 1st 4a gen. 2307	J	J	109	109	109	109	109	109	109	Lake Shore 1st 4a gen. 2307	J	J	109	109	109	109	109	109	
Registered. 2307	J	J	109	109	109	109	109	109	109	Registered. 2307	J	J	109	109	109	109	109	109	
Debenure 4a gen. 1928	M	M	109	109	109	109	109	109	109	Debenure 4a gen. 1928	M	M	109	109	109	109	109	109	
Det Mon & Tol 1st 7a. 1908	F	A	109	109	109	109	109	109	109	Det Mon & Tol 1st 7a. 1908	F	A	109	109	109	109	109	109	
Ka A & G 1st gen 5a. 1908	F	A	109	109	109	109	109	109	109	Ka A & G 1st gen 5a. 1908	F	A	109	109	109	109	109	109	
Mahon C. R. 1st 5a. 1934	J	J	109	109	109	109	109	109	109	Mahon C. R. 1st 5a. 1934	J	J	109	109	109	109	109	109	
Pitts McK & Y 1st gen 5a. 1932	J	J	109	109	109	109	109	109	109	Pitts McK & Y 1st gen 5a. 1932	J	J	109	109	109	109	109	109	
2d guar 5a. 1932	J	J	109	109	109	109	109	109	109	2d guar 5a. 1932	J	J	109	109	109	109	109	109	
McKee & B V 1st gen 5a. 1914	J	J	109	109	109	109	109	109	109	McKee & B V 1st gen 5a. 1914	J	J	109	109	109	109	109	109	
Mich Cent 1st consol 5a. 1908	M	S	109	109	109	109	109	109	109	Mich Cent 1st consol 5a. 1908	M	S	109	109	109	109	109	109	
Registered. 1940	J	M	109	109	109	109	109	109	109	Registered. 1940	J	M	109	109	109	109	109	109	
4a. 1940	J	M	109	109	109	109	109	109	109	4a. 1940	J	M	109	109	109	109	109	109	
J. L. & S 1st gen 3 1/2s. 1951	M	S	109	109	109	109	109	109	109	J. L. & S 1st gen 3 1/2s. 1951	M	S	109	109	109	109	109	109	
1st gen 3 1/2s. 1951	M	S	109	109	109	109	109	109	109	1st gen 3 1/2s. 1951	M	S	109	109	109	109	109	109	
Bat C & Stur 1st gen 3 1/2s. 1989	J	J	109	109	109	109	109	109	109	Bat C & Stur 1st gen 3 1/2s. 1989	J	J	109	109	109	109	109	109	
Y & Hartem 3 1/2s. 2000	M	N	109	109	109	109	109	109	109	Y & Hartem 3 1/2s. 2000	M	N	109	109	109	109	109	109	
Registered. 2000	M	N	109	109	109	109	109	109	109	Registered. 2000	M	N	109	109	109	109	109	109	
N. Y. & North 1st gen 5a. 1922	A	O	109	109	109	109	109	109	109	N. Y. & North 1st gen 5a. 1922	A	O	109	109	109	109	109	109	
R. W. & O con 1st 5a. 1922	A	O	109	109	109	109	109	109	109	R. W. & O con 1st 5a. 1922	A	O	109	109	109	109	109	109	
Oswego & R 2d gen 5a. 1915	J	J	109	109	109	109	109	109	109	Oswego & R 2d gen 5a. 1915	J	J	109	109	109	109	109	109	
N. Y. & R 1st gen 5a. 1918	M	N	109	109	109	109	109	109	109	N. Y. & R 1st gen 5a. 1918	M	N	109	109	109	109	109	109	
Utica & Bk Riv gen 5a. 1912	J	J	109	109	109	109	109	109	109	Utica & Bk Riv gen 5a. 1912	J	J	109	109	109	109	109	109	
N. Y. Chic & St L 1st gen 4a. 1937	A	O	109	109	109	109	109	109	109	N. Y. Chic & St L 1st gen 4a. 1937	A	O	109	109	109	109	109	109	
Registered. 1937	A	O	109	109	109	109	109	109	109	Registered. 1937	A	O	109	109	109	109	109	109	
Y & Green Lake See Erie										Y & Green Lake See Erie									
N. Y. & Har See N. Y. C & H										N. Y. & Har See N. Y. C & H									
N. Y. Lack & W See D. L. & W										N. Y. Lack & W See D. L. & W									
N. Y. L & W See Erie										N. Y. L & W See Erie									
N. Y. & Long R See Cent of N. Y.										N. Y. & Long R See Cent of N. Y.									
New York New Har & Hart										New York New Har & Hart									
Housatonic R con 5a. 1918	M	N	109	109	109	109	109	109	109	Housatonic R con 5a. 1918	M	N	109	109	109	109	109	109	
N. H. & Derby con 5a. 1937	M	N	109	109	109	109	109	109	109	N. H. & Derby con 5a. 1937	M	N	109	109	109	109	109	109	
N. Y. & North See N. Y. C & H										N. Y. & North See N. Y. C & H									
N. Y. & N. R 1st gen 5a. 1902	M	S	109	109	109	109	109	109	109	N. Y. & N. R 1st gen 5a. 1902	M	S	109	109	109	109	109	109	
Regis 5a. 1902 only. 1992	M	S	109	109	109	109	109	109	109	Regis 5a. 1902 only. 1992	M	S	109	109	109	109	109	109	
N. Y. & Put See N. Y. C & H										N. Y. & Put See N. Y. C & H									
N. Y. & R B See Long Island										N. Y. & R B See Long Island									
Y & W See Erie										Y & W See Erie									
N. Y. Tex & M See So Pac Co										N. Y. Tex & M See So Pac Co									
Nor & South 1st gen 5a. 1941	M	N	109	109	109	109	109	109	109	Nor & South 1st gen 5a. 1941	M	N	109	109	109	109	109	109	
Nor & West gen 5a. 1931	M	N	109	109	109	109	109	109	109	Nor & West gen 5a. 1931	M	N	109	109	109	109	109	109	
Improvement & ext gen 5a. 1908	F	A	109	109	109	109	109	109	109	Improvement & ext gen 5a. 1908	F	A	109	109	109	109	109	109	
N. W. Ry 1st con 5a. 1908	A	O	109	109	109	109	109	109	109	N. W. Ry 1st con 5a. 1908	A	O	109	109	109	109	109	109	
Registered. 1908	A	O	109	109	109	109	109	109	109	Registered. 1908	A	O	109	109	109	109	109	109	
N. Y. & R 1st gen 5a. 1908	A	O	109	109	109	109	109	109	109	N. Y. & R 1st gen 5a. 1908	A	O	109	109	109	109	109	109	
Poach C & J 1st gen 5a. 1941	J	J	109	109	109	109	109	109	109	Poach C & J 1st gen 5a. 1941	J	J	109	109	109	109	109	109	
CC & T 1st gen 5a. 1922	J	J	109	109	109	109	109	109	109	CC & T 1st gen 5a. 1922	J	J	109	109	109	109	109	109	
Solo V & N 1st gen 4a 1989	M	N	109	109	109	109	109	109	109	Solo V & N 1st gen 4a 1989	M	N	109	109	109	109	109	109	
Nor & South 1st gen 5a. 1902	M	N	109	109	109	109	109	109	109	Nor & South 1st gen 5a. 1902	M	N	109	109	109	109	109	109	
Nor Pac—Prior lien 4a. 1997	Q	J	109	109	109	109	109	109	109	Nor Pac—Prior lien 4a. 1997	Q	J	109	109	109	109	109	109	
Registered. 1997	Q	J	109	109	109	109	109	109	109	Registered. 1997	Q	J	109	109	109	109	109	109	
General lien gold 3a. 22047	Q	F	109	109	109	109	109	109	109	General lien gold 3a. 22047	Q	F	109	109	109	109	109	109	
St Paul Dul Div 4a. 1996	J	J	109	109	109	109	109	109	109	St Paul Dul Div 4a. 1996	J	J	109	109	109	109	109	109	
Registered. 1996	J	J	109	109	109	109	109	109	109	Registered. 1996	J	J	109	109	109	109	109	109	
C B & Q 1st 4a. See St L										C B & Q 1st 4a. See St L									
N. Y. & N. R 1st gen 5a. 1902	F	A	109	109	109	109	109	109	109	N. Y. & N. R 1st gen 5a. 1902	F	A	109	109	109	109	109	109	
Registered. 1902	F	A	109	109	109	109	109	109	109	Registered. 1902	F	A	109	109	109	109	109	109	
St Paul & Dul 1st 5a. 1931	F	A	109	109	109	109	109	109	109	St Paul & Dul 1st 5a. 1931	F	A	109	109	109	109	109	109	
2d 5a. 1917	A	O	109	109	109	109	109	109	109	2d 5a. 1917	A	O	109	109	109	109	109	109	
Wash Cent 1st gen 5a. 1902	A	O	109	109	109	109	109	109	109	Wash Cent 1st gen 5a. 1902	A	O	109	109	109	109	109	109	
Nor Pac Ter Co 1st gen 5a. 1933	J	J	109	109	109	109	109	109	109	Nor Pac Ter Co 1st gen 5a. 1933	J	J	109	109	109	109	109	109	
Nor Ry Cal See So Pac										Nor Ry Cal See So Pac									
Nor Wis See Cst P M & N										Nor Wis See Cst P M & N									
O. and W. See C. C. & St L										O. and W. See C. C. & St L									
Ohio River R 1st gen 5a. 1936	J	D	109	109	109	109	109	109	109	Ohio River R 1st gen 5a. 1936	J	D	109	109	109	109	109	109	
General gold 5a. 1937	A	O	109	109	109	109	109	109	109	General gold 5a. 1937	A	O	109	109	109	109	109	109	
Ore R & Nav See Un Pac										Ore R & Nav See Un Pac									
Ore Short Line See Un Pac										Ore Short Line See Un Pac									
Ore & Home See N. Y. C										Ore & Home See N. Y. C									
O. C. P. & St. P. See N. Y. C										O. C. P. & St. P. See N. Y. C									
Ork & Cher C 1st gen 5a. 1913	A	O	109	109	109	109	109	109	109	Ork & Cher C 1st gen 5a. 1913	A	O	109	109	109	109	109	109	
Pac Coast Co 1st gen 5a. 1940	J	D	109	109	109	109	109	109	109	Pac Coast Co 1st gen 5a. 1940	J	D	109	109	109	109	109	109	
Pa. of Missouri See Mo Pac										Pa. of Missouri See Mo Pac									
Pennam 1st 4a. 1917	A	O	109	109	109	109	109	109	109	Pennam 1st 4a. 1917	A	O	109	109	109	109	109	109	
Sunk fund sub 1st 4a. 1910	M	N	109	109	109	109	109	109	109	Sunk fund sub 1st 4a. 1910	M	N	109	109	109	109	109	109	
Penn Co—Guar 1st 4a. 1921	J	J	109	109	10														

BONDS										BONDS									
N. Y. STOCK EXCHANGE										N. Y. STOCK EXCHANGE									
WEEK ENDING OCTOBER 20										WEEK ENDING OCTOBER 20									
Range										Range									
Price										Price									
Friday										Friday									
October 20										October 20									
Low										Low									
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CHICAGO STOCK EXCHANGE—Stock Record—Daily, Weekly and Yearly

12-3

STOCKS—HIGHEST AND LOWEST SALE PRICES

STOCKS—HIGHEST AND LOWEST SALE PRICES						STOCKS		Sales of the Week Shares	Range for Year 1905		Range for Previous Year (1904)	
Saturday Oct 14	Monday Oct 16	Tuesday Oct 17	Wednesday Oct 18	Thursday Oct 19	Friday Oct 20	CHICAGO STOCK EXCHANGE	Lowest		Highest	Lowest	Highest	
Railroads												
*200 205	*200 205	*200 205	200 200	*195 205	*200 205	Chic City Ry.....	100	1180	Jan 5	200 Sep 28	155 Mar	100 Aug
54 54	54 54	54 54	54 54	54 54	54 54	Chic Consol Trac.....	100	36	4 July 5	74 Jan 0	6 Sep	8 Nov
18 18	18 18	18 18	18 18	18 18	18 18	Chic Pass Ry.....	100	36	4 July 5	74 Jan 0	6 Sep	8 Nov
52 52	52 52	52 52	52 52	52 52	52 52	Chic & Oak Park.....	100	36	4 July 5	74 Jan 0	6 Sep	8 Nov
54 54	54 54	54 54	54 54	54 54	54 54	Chic Union Tract.....	100	400	6 Jan 2	13 Feb 3	4 Feb	15 Nov
26 26	26 26	26 26	26 26	26 26	26 26	Do pref.....	100	26	7 Jan 13	51 Feb 2	27 May	45 Nov
71 71	71 71	71 71	71 71	71 71	71 71	Kans City Ry & L.....	100	1,298	30 Jan 0	60 Sep 5	28 Dec	31 Dec
81 81	81 81	81 81	81 81	81 81	81 81	Do pref.....	100	82	21 May 25	28 Oct 10	15 Jan	20 Nov
24 24	24 24	24 24	24 24	24 24	24 24	Metropol W & Elev.....	100	35	20 Jan 18	27 Sep 28	15 Mar	26 Sep
65 65	65 65	65 65	65 65	65 65	65 65	Do pref.....	100	182	59 Jan 10	78 Sep 28	41 Mar	68 Oct
98 98	98 98	98 98	98 98	98 98	98 98	North Chic Street.....	100	53	7 Jan 14	99 Feb 2	5 Mar	88 Sep
29 29	29 29	29 29	29 29	29 29	29 29	Northwestern Elev.....	100	21	21 May 25	28 Oct 10	15 Jan	26 Nov
98 98	98 98	98 98	98 98	98 98	98 98	Do pref.....	100	110	60 Mar 27	68 Oct 10	4 Apr	67 Nov
20 20	20 20	20 20	20 20	20 20	20 20	South Side Elev.....	100	80	May 17	100 Aug 31	90 Mar	88 Nov
98 98	98 98	98 98	98 98	98 98	98 98	Streets W Stable C L.....	100	120	27 Aug 30	30 Sep 18	28 Jan	34 Oct
20 20	20 20	20 20	20 20	20 20	20 20	Do pref.....	100	27	Feb 3	103 Mar 21	82 Apr	103 Jan
98 98	98 98	98 98	98 98	98 98	98 98	West Chic Street.....	100	40	Jan 12	73 Feb 3	38 Apr	08 Sep
Miscellaneous												
100 100	100 100	100 100	100 100	100 100	100 100	Allis-Chalmers.....	100	385	9 Feb 9	14 Apr 25	3 Jan	12 Dec
100 100	100 100	100 100	100 100	100 100	100 100	Do pref.....	100	880	9 Feb 9	14 Apr 25	3 Jan	12 Dec
100 100	100 100	100 100	100 100	100 100	100 100	Amer Can.....	100	770	60 Jan 25	73 Apr 2	31 Jan	64 Dec
133 133	133 133	133 133	133 133	133 133	133 133	Amer Radiator.....	100	70	73 Jan 4	99 Feb 2	14 Jan	40 Nov
56 56	56 56	56 56	56 56	56 56	56 56	Chic Auditorium.....	100	125	Feb 21	133 July 31	116 Jan	123 Sep
56 56	56 56	56 56	56 56	56 56	56 56	Amer Shipbldg.....	100	365	28 Jan 19	58 Sep 18	19 Jan	40 Dec
56 56	56 56	56 56	56 56	56 56	56 56	Do pref.....	100	98	Jan 17	105 Mar 27	82 Aug	94 Oct
103 103	103 103	103 103	103 103	103 103	103 103	Amer T & S Bank.....	100	105	Mar 17	112 Aug 19	100 Mar	110 Feb
52 52	52 52	52 52	52 52	52 52	52 52	South (A) & Co.....	100	39	Jan 4	40 Jan 4	33 Nov	40 Nov
20 20	20 20	20 20	20 20	20 20	20 20	Cal & Chic Canal & H.....	100	350	50 July 27	82 Apr 15	52 Feb	62 Aug
54 54	54 54	54 54	54 54	54 54	54 54	Central Trust Bank.....	100	148	Feb 23	150 Mar 1	120 July	123 Jan
54 54	54 54	54 54	54 54	54 54	54 54	Chic Pneumatic Tool.....	100	32	Jan 7	52 Mar 16	14 July	30 Nov
54 54	54 54	54 54	54 54	54 54	54 54	Chic Telephone.....	100	14	125 May 4	133 Feb 17	115 Mar	147 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Chic Title & Trust.....	100	39	95 Apr 6	105 Mar 6	86 Feb	10 Oct
140 140	140 140	140 140	140 140	140 140	140 140	Diamond Match.....	100	23	134 Feb 1	145 Aug 28	126 Feb	142 Nov
61 61	61 61	61 61	61 61	61 61	61 61	Illinois Brick.....	100	764	5 Jan 27	69 May 20	69 May	20
75 75	75 75	75 75	75 75	75 75	75 75	Kaiser City Stock Yds.....	100	11	Feb 6	34 Aug 1	10 Dec	12 Oct
103 103	103 103	103 103	103 103	103 103	103 103	Knickerbocker Ice.....	100	50	63 Feb 15	75 Oct 18	50 Jan	62 Feb
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	17	Jan 4	40 Jan 4	33 Nov	40 Nov
103 103	103 103	103 103	103 103	103 103	103 103	London & Chic Confir.....	100	44	Mar 27	48 Aug 4	42 Aug	51 Jan
103 103	103 103	103 103	103 103	103 103	103 103	Manufacturers Fuel.....	100	2	Jan 30	24 Oct 12	14 Apr	24 Jan
103 103	103 103	103 103	103 103	103 103	103 103	Masonic Temple.....	100	38	18 Sep 20	23 Oct 6	20 Nov	23 Sep
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,330	223 Aug 17	120 Apr 3	99 Jan	88 Sep
103 103	103 103	103 103	103 103	103 103	103 103	National Acoust.....	100	22	104 Aug 17	120 Apr 3	99 Jan	116 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	155	41 Jan 25	67 Jan 24	23 May	46 Dec
103 103	103 103	103 103	103 103	103 103	103 103	National Carbon.....	100	110	Jan 25	120 Jan 19	95 Jan	120 Sep
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	6	Apr 20	63 May 19	63 May	19
103 103	103 103	103 103	103 103	103 103	103 103	Page Woven Wire Fence.....	100	99	May 18	110 Apr 8	98 Feb	110 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	5	May 18	110 Apr 8	98 Feb	110 Nov
103 103	103 103	103 103	103 103	103 103	103 103	People's Gas L & C.....	100	5	May 18	110 Apr 8	98 Feb	110 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Fullman Co.....	100	5	May 18	110 Apr 8	98 Feb	110 Nov
103 103	103 103	103 103	103 103	103 103	103 103	St Louis Nat S & K.....	100	5	May 18	110 Apr 8	98 Feb	110 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Swift & Co.....	100	421	46 Jan 25	125 Oct 17	35 Jan	47 Jan
103 103	103 103	103 103	103 103	103 103	103 103	The Quaker Oats Co.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Do pref.....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103	103 103	103 103	Union Stock Yds (So Om).....	100	1,201	56 Jan 4	103 Sep 25	75 Jan	87 Nov
103 103	103 103	103 103	103 103									

BOSTON STOCK EXCHANGE—Stock Record, Daily, Weekly and Yearly

Share Prices—Not Per Centum Prices						STOCKS		Range for Year		Range for Previous Year (1904)	
Saturday Oct 14	Monday Oct 16	Tuesday Oct 17	Wednesday Oct 18	Thursday Oct 19	Friday Oct 20	BOSTON STOCK EXCHANGE		Lowest	Highest	Lowest	Highest
Railroads											
88 1/2	88 1/2	88 1/2	88 1/2	88 1/2	88 1/2	Aitch Top & Santa Fe	100	73 1/2	77 1/2	May 20	93 1/2
103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	Do pref.	100	100	99 1/2	Jan 25	105 1/2
257 1/2	257 1/2	257 1/2	257 1/2	257 1/2	257 1/2	Boston & Albany	100	254 1/2	Jan 3	262 1/2	Apr 4
153 1/2	153 1/2	153 1/2	153 1/2	153 1/2	153 1/2	Boston Elevated	100	197 1/2	Aug 8	185 1/2	Apr 22
245 1/2	245 1/2	245 1/2	245 1/2	245 1/2	245 1/2	Boston & Lowell	100	241 1/2	May 20	249 1/2	Mar 20
175 1/2	175 1/2	175 1/2	175 1/2	175 1/2	175 1/2	Boston & Maine	100	172 1/2	Jan 2	185 1/2	Mar 14
209 1/2	209 1/2	209 1/2	209 1/2	209 1/2	209 1/2	Do pref.	100	171 1/2	Jan 8	175 1/2	Apr 5
26 1/2	26 1/2	26 1/2	26 1/2	26 1/2	26 1/2	Boston & Providence	100	106 1/2	Jan 18	110 1/2	Aug 8
72 1/2	72 1/2	72 1/2	72 1/2	72 1/2	72 1/2	Boston & Wor Elec Co.	100	75 1/2	Jan 17	82 1/2	Mar 22
128 1/2	128 1/2	128 1/2	128 1/2	128 1/2	128 1/2	Do pref.	100	132 1/2	Jan 17	82 1/2	Mar 22
183 1/2	183 1/2	183 1/2	183 1/2	183 1/2	183 1/2	Chic June Ky & U S Y	100	150 1/2	Jan 13	182 1/2	Mar 14
128 1/2	128 1/2	128 1/2	128 1/2	128 1/2	128 1/2	Do pref.	100	124 1/2	Jan 10	138 1/2	Mar 20
187 1/2	187 1/2	187 1/2	187 1/2	187 1/2	187 1/2	Conn & Mont Chase	100	180 1/2	Jan 10	167 1/2	Aug 1
165 1/2	165 1/2	165 1/2	165 1/2	165 1/2	165 1/2	Conn & Pass Riv pref	100	180 1/2	Jan 10	167 1/2	Aug 1
93 1/2	93 1/2	93 1/2	93 1/2	93 1/2	93 1/2	Connecticut River	100	285 1/2	Jan 12	400 1/2	Aug 16
142 1/2	142 1/2	142 1/2	142 1/2	142 1/2	142 1/2	Fitchburg pref	100	90 1/2	Jan 3	148 1/2	Mar 13
93 1/2	93 1/2	93 1/2	93 1/2	93 1/2	93 1/2	Ha Ry & Electric	100	59 1/2	Jan 10	61 1/2	Sep 30
185 1/2	185 1/2	185 1/2	185 1/2	185 1/2	185 1/2	Do pref.	100	100 1/2	Jan 4	95 1/2	Oct 3
135 1/2	135 1/2	135 1/2	135 1/2	135 1/2	135 1/2	Maine Central	100	175 1/2	Jan 24	185 1/2	Jan 1
24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	Mass Electric Cos.	100	13 1/2	Feb 11	22 1/2	Apr 3
206 1/2	206 1/2	206 1/2	206 1/2	206 1/2	206 1/2	Do pref.	100	305 1/2	Feb 11	70 1/2	Mar 30
164 1/2	164 1/2	164 1/2	164 1/2	164 1/2	164 1/2	Mexican Central	100	194 1/2	Jan 1	25 1/2	Mar 14
205 1/2	205 1/2	205 1/2	205 1/2	205 1/2	205 1/2	N Y N H & Hart	100	300 1/2	May 23	215 1/2	Sep 21
204 1/2	204 1/2	204 1/2	204 1/2	204 1/2	204 1/2	Northern N H	100	2 1/2	Oct 4	16 1/2	May 25
208 1/2	208 1/2	208 1/2	208 1/2	208 1/2	208 1/2	Norfolk & Woe pref	100	10 1/2	Jan 24	23 1/2	May 23
101 1/2	101 1/2	101 1/2	101 1/2	101 1/2	101 1/2	Old Colony	100	30 1/2	Jan 6	61 1/2	Apr 28
83 1/2	83 1/2	83 1/2	83 1/2	83 1/2	83 1/2	Pere Marquette	100	70 1/2	Jan 9	102 1/2	Feb 14
82 1/2	82 1/2	82 1/2	82 1/2	82 1/2	82 1/2	Do pref.	100	40 1/2	Jan 27	87 1/2	Feb 8
131 1/2	131 1/2	131 1/2	131 1/2	131 1/2	131 1/2	Rock Island	100	17 1/2	Jan 7	22 1/2	Mar 20
99 1/2	99 1/2	99 1/2	99 1/2	99 1/2	99 1/2	Savannah Elec	100	15 1/2	Jan 17	17 1/2	Mar 20
99 1/2	99 1/2	99 1/2	99 1/2	99 1/2	99 1/2	Seattle Electric	100	50 1/2	Jan 5	67 1/2	Aug 25
132 1/2	132 1/2	132 1/2	132 1/2	132 1/2	132 1/2	Do pref.	100	110 1/2	Jan 9	102 1/2	Sep 5
99 1/2	99 1/2	99 1/2	99 1/2	99 1/2	99 1/2	Union Pacific	100	166 1/2	Jan 6	138 1/2	Aug 30
99 1/2	99 1/2	99 1/2	99 1/2	99 1/2	99 1/2	Do pref.	100	80 1/2	Sep 1	101 1/2	Feb 20
180 1/2	180 1/2	180 1/2	180 1/2	180 1/2	180 1/2	Vermont & Mass	100	172 1/2	Jan 18	150 1/2	Oct 9
99 1/2	99 1/2	99 1/2	99 1/2	99 1/2	99 1/2	West End St.	100	60 1/2	Jan 3	102 1/2	Apr 2
114 1/2	114 1/2	114 1/2	114 1/2	114 1/2	114 1/2	Do pref.	100	212 1/2	Jan 3	117 1/2	Apr 25
100 1/2	100 1/2	100 1/2	100 1/2	100 1/2	100 1/2	Winconsin Central	100	10 1/2	Jan 27	31 1/2	Sep 1
147 1/2	147 1/2	147 1/2	147 1/2	147 1/2	147 1/2	Do pref.	100	55 1/2	Jan 11	60 1/2	Sep 13
147 1/2	147 1/2	147 1/2	147 1/2	147 1/2	147 1/2	Wor Nash & Roch	100	140 1/2	Mar 20	147 1/2	Mar 20
Miscellaneous											
22 1/2	22 1/2	22 1/2	22 1/2	22 1/2	22 1/2	Amer Acetum Chem	100	450 1/2	Jan 25	29 1/2	Apr 16
93 1/2	93 1/2	93 1/2	93 1/2	93 1/2	93 1/2	Do pref.	100	67 1/2	Jan 3	18 1/2	Sep 18
26 1/2	26 1/2	26 1/2	26 1/2	26 1/2	26 1/2	Amer Pneu Serv	50	4 1/2	Apr 13	8 1/2	Aug 14
140 1/2	140 1/2	140 1/2	140 1/2	140 1/2	140 1/2	Do pref.	100	60 1/2	Jan 17	30 1/2	Jan 22
140 1/2	140 1/2	140 1/2	140 1/2	140 1/2	140 1/2	Amer Sugar Refin	100	107 1/2	Jan 28	140 1/2	Mar 14
137 1/2	137 1/2	137 1/2	137 1/2	137 1/2	137 1/2	Do pref.	100	117 1/2	May 22	140 1/2	Mar 14
37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	Amer Teleg & Tel	100	2 1/2	Jan 23	40 1/2	Apr 18
102 1/2	102 1/2	102 1/2	102 1/2	102 1/2	102 1/2	Amer Woolen	100	12 504 1/2	Jan 23	40 1/2	Apr 18
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Do pref.	100	1 439 1/2	Jan 23	109 1/2	Apr 18
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Boston Land	100	3 1/2	Jan 23	4 1/2	Apr 18
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Cumbari Teleg & Tel	100	23 1/2	Aug 17	124 1/2	Jan 6
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Dominion Iron & Tel	100	105 1/2	Jan 24	24 1/2	Mar 16
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	East Boston Land	100	8 1/2	Jan 17	7 1/2	Jan 10
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	General Electric	100	17 1/2	May 22	101 1/2	Jan 17
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Massachusetts Gas	100	2 004 1/2	Jan 10	51 1/2	Aug 1
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Do pref.	100	1 303 1/2	Jan 10	8 1/2	May 12
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Mercantile Bank	100	186 1/2	Jan 20	206 1/2	Apr 22
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Mexican Telephone	100	460 1/2	Jan 2	24 1/2	Oct 7
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	N H & Telephone	100	81 1/2	Jan 20	140 1/2	Apr 27
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Plant Const & Stat	100	1 1/2	Feb 21	2 1/2	Jan 9
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Do pref.	100	1 1/2	Jan 8	17 1/2	Jan 10
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Painant Const	100	2 1/2	Jan 23	23 1/2	Oct 8
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Reece Button-Hole	100	10 1/2	Jan 12	10 1/2	Feb 23
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Swift & Co	100	8 1/2	Jan 12	11 1/2	Jan 5
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Torrington Glass	25	18 1/2	Jan 20	25 1/2	Jan 10
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Do pref.	100	18 1/2	Jan 20	25 1/2	Jan 10
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Union Cop L & M	25	6 1/2	May 25	4 1/2	Aug 4
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	United Fruit	100	524 1/2	Apr 20	115 1/2	Feb 20
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	U Shoe Mach Corp	25	3 1/2	Jan 10	50 1/2	Aug 8
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Do pref.	100	11 1/2	Jan 8	14 1/2	Jan 10
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	U S Leather	100	11 1/2	Jan 8	14 1/2	Jan 10
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Do pref.	100	100 1/2	Jan 10	111 1/2	Jan 10
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	U S Rubber	100	34 1/2	Jan 4	50 1/2	Sep 20
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Do pref.	100	34 1/2	Jan 4	50 1/2	Sep 20
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	U S Steel Corp	100	9 1/2	Jan 5	117 1/2	Apr 10
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Do pref.	100	2 691 1/2	Jan 22	100 1/2	Oct 8
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	West End Land	25	40 1/2	Mar 30	97 1/2	Jan 20
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	West Teleg & Teleg	100	106 1/2	Jan 20	104 1/2	Feb 6
122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	122 1/2	Do pref.	100	92 1/2	Oct 19	104 1/2	Feb 9
122 1/2	122 1/2	1									

NOTE—Buyer pays accrued interest in addition to the purchase price for all Boston Bonds. * No price Friday; latest bid and asked. † Flat price.

Range for Previous
Year (1994)

* Bid and asked prices; no sales on this day. † Ex-rights. ‡ \$7.50 paid. § \$15 paid. ¶ \$10 paid. †† \$20 paid.

Volume of Business at Stock Exchanges

TRANSACTIONS AT THE NEW YORK STOCK EXCHANGE
DAILY, WEEKLY AND YEARLY

Week ending Oct. 30 1940	Stocks		Railroad & Bonds	State Bonds	U. S. Bonds
	Shares	Par value			
Saturday	162,394	\$15,184,400	\$1,553,500	\$477,000	\$100,000
Sunday	370,572	\$35,711,700	1,871,500	579,500	100,000
Tuesday	546,292	\$49,523,500	2,119,300	\$677,500	100,000
Wednesday	598,196	\$55,529,600	2,208,000	1,043,000	6,000,000
Thursday	728,118	\$69,491,800	1,817,500	\$677,300	1,600,000
Friday	929,913	\$89,406,300	3,104,000	711,400	8,900,000
Total	3,336,453	\$31,865,300	\$12,774,800	\$4,841,700	\$24,000,000

New York Stock Exchange	Week ending Oct 20		January 1 to Oct 30	
	1905	1904	1905	1904
Stocks—do. shares	3,335,453	1,918,775	197,130,192	114,881,633
Par value—do.	\$11,856,390	\$847,322,550	\$1,286,660,575	\$1,052,006,400
Bank shares, par.	13,500	17,000	760,700	\$2,300,000
BONDS				
Government bonds	\$24,000		\$603,320	\$592,880
State bonds	4,841,700	\$661,100	167,289,950	134,425,940
RR. and ins. bonds	12,774,800	\$9,257,000	679,580,700	363,461,000
Total bonds	\$17,640,500	\$9,818,100	\$17,378,770	\$650,480,320

DAILY TRANSACTIONS AT THE BOSTON AND PHILADELPHIA EXCHANGES

Week ending Oct 20/26	Boston			Philadelphia		
	Listed shares	Unlisted shares	Bond sales	Listed shares	Unlisted shares	Bond sales
Saturday	27,324	8,258	\$47,000	6,045	2,263	\$79,133
Sunday	72,046	20,926	\$41,500	23,773	4,565	\$77,800
Monday	67,529	27,830	\$27,271	27,271	4,900	\$4,900
Tuesday	47,459	15,703	20,000	1,636	7,758	84,000
Wednesday	49,402	14,666	43,000	14,261	15,907	35,000
Thursday	9,222	24,528	14,000	22,338	13,791	\$77,992
Total.....	322,954	104,550	\$265,000	117,244	48,371	\$380,600

Outside Securities

A Weekly Review of Outside Market will be found on a preceding page.

[illegible]

Gas Securities			Bid	Ask	Industrial and Miscr			Bid	Ask
Indianapolis Gas	50	50	Cons Hy Lgde Refrig	100	64	74			
1st g 1952	A.O	103	Consol Rubber Tire	100	24	34			
Jackson Gas g 737	A.O	93	Debiture	40	30	34			
Kansas City Gas	100	40	Cons Storage & Battery	100	10	10			
Laclede Gas	100	101	Cramps' Sh & En Eldg	100	25	35			
Preferred	100	101	Crumb Steel	100	34	18			
Logansport Gas	100	30	F Friction	100	67	10			
Long & Wabv 1st g 25	10	25	Cuban Gas or 1896	100	100	102			
Madis n Gas g 1926	A.O	106	Diamond Match Co	100	141	143			
Newark Gas g 1944	Q.J	137	Dominion Copper	1	128	10			
Newark Consol Gas	100	90	Dominion Securities	100	100	100			
N Gas g 1948	S.D	114	Dominion Steel	100	20	30			
N Hudson L H & Pow	100	114	Electric Boat	100	27	33			
5 1938	A.O	108	Preferred	100	70	75			
O & Ind Nat & Ill	100	3	Electric Lead Reduc	50	4	14			
1st g 1928	J-D	24	Preferred	50	14	17			
Pat Gas & Elec	70	70	Electric Tube	100	22	23			
1st g 1949	M	107	Preferred	100	22	23			
St Joseph Gas 1937	J-D	99	Electro-Pneum'ic Tran	100	74	84			
			Empire Steel	100	74	84			

Teleg. & Telephone		Preferred		Preferred	
Amer Teleg & Cable	92	96	1	1	106
Central & So Amer.	130	140	1	1	106
Emp & Bay State Tel	78				
Franklin	107	47	53	1	27 1/2
London & River Tel	87	92	1	1	28
N Y & N J Teleph.	165	170	1	1	5 1/4
Northwestern Teleg.	50	125	1	1	6 7/8
Pacific	100	105	1	1	18 1/2
Southern & Atlantic	50	105	1	1	24 1/2
Electric Companies		Havanna		Havanna	
			Ref & 45 52 op 12 1/2		89 98
			Havana Commercial		12
			Preferred		30
			Havana		100

Chicago Edison Co See Chi	1st	1st 6 June 1922	J-D	37	40
Y Kings Co El Lds P Co 195	195	Hecker Jones Jewl M-S		79	82
Narragan (Prov) El Co 190	198	1st 1922	M-S	108	109
NY & Q El Lds Pow Co 190	53	Heiring Hall Marvin 100		1	
Preferred	85	1st preferred	100	28	39
United Electric of N J 100	23	2d preferred	100	200	
4s 1949	73	toboken and imp		102	104
Chicago	74	5s 1910	M-N		

Ferry Companies		Houston Oil	100	7	7 1/2
Brooklyn Ferry stock 100	5	Preferred	100	73	86
N & N Y lat 6s 1911 J-J	105	Hudson local	100	110	
N Y & E R ferry stock 100	70	Ingersoll-Baun pref.	100	157	160
N Y & E R ferry stock 100	72	Internat'l Banking Co 100	100	130	160
N Y & E R ferry stock 100	72	Internat'l Banking Co 100	100	130	160
N Y & Hoboken 4 1/2 J-D	2109	Preferred	100	155	136
N Y & Hoboken 4 1/2 J-D	2109	Preferred	100	155	136
Hobbs Ferry lat 5s 1946 M-M	2110	Col tr deb 4 1/2 1922 pref	100	84	85
N Y & N J lat 5s 1946 J-J	2184	Internat'l Natl. Sall.	100	67	70
N Y & N J lat 5s 1946 J-J	2184	Col tr deb 4 1/2 1922 pref	100	84	85
Transit Ferry stock 100	98	100 & 5 1/2	100	67	70
Transit Ferry stock 100	98	100 & 5 1/2	100	67	70
Transit Ferry stock 100	98	100 & 5 1/2	100	67	70
10th & 23d Sts Ferry 100	40	Preferred	100	107	108
10th & 23d Sts Ferry 100	40	Preferred	100	107	108
Union Ferry stock 100	26	Lackawanna Steel	100	82	85

1st 50 1920.....M-N		90 91		Lanston Mfg. Co.....20		43	
Railroad				Lanston Mfg. Co.....20		43	
Alb & Susq 40yr 3 1/4 cts		1115 116		Lanston Mfg. Co.....20		43	
Cine Pco & St L pref.100				Lanston Mfg. Co.....20		43	
Deposited stock.....2 1/2		3 1/2		Lanston Mfg. Co.....20		43	
Independent stock.....100		100		Lanston Mfg. Co.....20		43	
Prior hndg 4 1/2 30M.....106		106		Lanston Mfg. Co.....20		43	
Con mtg & 5 1930 d&d		90 94		Lanston Mfg. Co.....20		43	
Income 5 1930.....15				Lanston Mfg. Co.....20		43	
Fort Worth & Denver				Lanston Mfg. Co.....20		43	
City stampet.....100		72 1/2		Lanston Mfg. Co.....20		43	
Insurance Securities.....100		12 1/2		Lanston Mfg. Co.....20		43	
Stubs.....300		325		Lanston Mfg. Co.....20		43	
Pitts field & L K.....50		31 37		Lanston Mfg. Co.....20		43	
Preferred.....50		74 77		Lanston Mfg. Co.....20		43	
Seal Air Line.....99		100		Lanston Mfg. Co.....20		43	
Gold 17 1/2 1901 opt.....M-S		99 100		Lanston Mfg. Co.....20		43	
Columbia.....100		100		Lanston Mfg. Co.....20		43	
Va & Southwestern.....100		100		Lanston Mfg. Co.....20		43	

Industrial and Miscellaneous			
Alliance Realty.....	100	125	130
Amer Bank Note Co., 50	60		
American Can com.....	100	10%	10%
Preferred.....	100	71%	72%
American Chiclo Co.....	100	140	145
Preferred.....	100	95	104
Amer Telephone com.....	100	5	5%
Preferred.....	100	9	9%
Amer Ice Securities.....	See	Stk	E list
Amer Maltins (a 1914-1)	100	107	107 1/2
American Nickel.....	100	1%	1%
Amer Press Assoc's.....	100	95	103
Amer Soda Water com.....	100	50	50
1st preferred.....	100	50	50
2d preferred.....	100	7	12
American Surety.....	50	130	194
American Thread pref.....	100	34	4%
Amer Tobacco (new), com.	345	345	350
Preferred.....	100	345	350
1st and 2d.....	See	Stk	Exch
New Central Coal.....	100	2	2
N Y Biscuit Co 1911.....	20	100	105
N Y Ice & Security.....	100	100	105
N Y Van Dock.....	100	5%	26%
N Y Transportation.....	20	7%	8
Niles-Bentl' Pond pf.....	100	120	
Nor Am Lumber & Pulp.....	100		1%
O'Brien Corp.....	100	100	100
Olin Elevator.....	100	65	65
Preferred.....	100	100	100
Phoenix Securities.....	2%	2%	3%
Pittsburg Brewing.....	50	47	47 1/2
Preferred.....	50	48	48 1/2
Pope Manufacturing.....	Exch	Exch	Exch
Pope Manufacturing.....	100	4	5%
1st preferred.....	100	73	77
2d preferred.....	100	17	18
Pratt & Whitn pref.....	100	98	104
Refr Assoc (Klayn).....	100	170	175
Refr Assoc (Klayn).....	100	170	175
Rupert & Farwin.....	25	61	63

Typewriter com.	100	35	40	Safety Car Heat & Lt 100	300	325
Preferred	100	97	100	Singer Mfg Co.	100	630
Fin Writing Paper 100	54	50	Standard Coupler com 100	30	40	
Preferred	100	33	33 1/2	Standard Preferred	100	120
5a 1919	50	29	30	Standard Mfg Co	100	35
Arizona Con Mining	50	29	30	Preferred	100	33
Madison Mining	50	2	5		83 1/2	84
Barney & Sm Car	100	25	25	Standard Oil of N J.	100	668 970
Preferred	100	125	135	Storage Power	50	100
Union Steel Corp.	100	28	29 1/2	Swift & Co Boston	50	84 1/2
Preferred	100	88	88	5a 1919	100	105
Coll. tr. g. of 1914	103			Tennessee Copper	25	84
Gas Company com.	50	140	145	Texas & Pacific Coal	100	75
Preferred	50	140	140	1st Is 1908	A	105 110
Gold & Mt Guar.	100	405	420	The Ins Co of N Y.	100	187
First Nat Bond Mkt.	100	175	175	Ins Co of Nev.	100	190
Preferred	100	133	134	Trenton Pottery	15	22
British Col Copper	5	8 1/2	8 1/2	Preferred new	100	10
London Land	5	10	10 1/2	Trow Directory new	100	50
Asen Co of Am com.	100	3	6	Union Copper	100	84 1/2
Preferred	100	75	75	Union Typewr com.	100	80
					100	121

General Co.	100	133	135	2d preferred.....	100	116	118
Genl Fireworks com.....	100	15	20	United Copper.....	100	34	34 3/4
Preferred.....	100	67	71	Preferred.....	100	76	77
Central Foundry.....	100	5	5 1/2	U S Casualty.....	200	200	
2d Preferred.....	100	24	24	U S Savings.....	100	27	27 1/2
Deb 6a 1918 of OIM-N	83	84	84	1 Preferred.....	100	87	89
Central Leather..... See	Stk E	x list		U S Rubber 2d pt (w) 100	75	75	80 1/2
Century Realty.....	100	161	165	U S Steel Corporation.....	412	112	114
Chesapeake Mfg Co 100	440	450	450	Consol 5a 51 opt 71.....	412	114	114
Chlorine Inv.....	100	109	115	Consol 5a 51 opt 71.....	412	114	114
Cladin (H B) com.....	100	94 1/2	94 1/2	U S Tl Gu & Indem.....	100	127	139
1st preferred.....	100	98	98	Universal Fire Ex't.....	100	6	7
2d preferred.....	100	98	98	Universal Tobacco.....	100	2	1
Colo Industrial, See Stoc	85	x list		Preferred.....	100	2	1
1st & 2d Preferred.....	100	85	85	Western & Conn.....	100	177	180
Colt 5a 51 1917.....	J-J	80	85	Title & Mort Guar Co.....	100	177	180
Compressed Air Co.....	100	60	65	Washing Air Brake.....	50	143	150
Comd Cal Heating 100	60	65	65	White Knob Min (w).....	100	1	1 1/2
Consolidated As com.....	100	25	25	Worthington 1st.....	100	110	116
1st Preferred.....	100	25	25	Worthington 2d.....	100	110	116

1 Buyer pays accrued interest. 1 Price per share. 1 Sale price. 4 1/2% rights. 2 1/2% div. 1 New stock. 11 Sells on stock exchange, but has a very active security

¹ Mexican currency. ^a Figures include earnings of stations, Decatur to Ackerman inclusive. ^b Includes the Moss & Tex. Vent. and its subsidiaries in both years. ^c Love Lines directly operated. ^d Includes the Chicago & Eastern Illinois in both years. ^e Atlanta Knoxville & Northern included in both years since April 1; it had previously been included in 1935 since Jan. 1. ^f Loss is entirely in the passenger earnings, caused by yellow fever quarantine.

Latest Gross Earnings by Weeks.—In the table which follows we sum up separately the earnings for the second week of October. The table covers 35 roads and shows 5.15 per cent increase in the aggregate over the same week last year.

2nd week of October.	1905.	1904.	Increase.	Decrease.
Buff Roch & Pitts	\$ 182,029	\$ 168,542	\$ 13,487	
Canadian Northern	122,300	88,700	33,600	
Canadian Pacific	1,305,000	1,031,000	274,000	
Central of Georgia	253,200	252,600	600	
Chattanooga Southern	2,964	2,480	484	
Chicago Great Western	186,450	166,628	19,828	
Chic Indianapolis & Louisville	127,638	113,559	14,079	
Chicago Terminal Transfer	35,253	31,660	3,587	
Colorado & Southern	146,648	127,240	19,399	
Denver & Rio Grande	401,200	358,700	42,500	
Duluth So Shore & Atlantic	59,240	49,878	9,362	
Grand Trunk of Canada				
Grand Trunk Western	793,853	736,514	57,339	
Detroit Grand Hav & Milw				
International & Gt Northern	156,000	147,300	8,700	
Intercoastal of Mexico	114,796	122,162	-7,366	
Iowa Central	61,724	58,292	3,432	
Louisville & Nashville	796,960	797,580	-620	
Mexican International	122,340	144,433	-22,093	
Mineral Range	15,468	12,737	2,731	
Minn & St Louis	88,719	73,210	15,509	
Minn St P & S M	271,698	208,083	66,615	
Missouri Kansas & Texas	460,877	481,983	-21,106	
Mo Pac & Iron Mountain	803,000	893,000	-90,000	
Central Branch	38,000	33,000	5,000	
Mobile & Ohio	150,334	144,724	5,610	
National RR of Mexico	254,103	220,398	33,705	
Rio Grande Southern	11,328	9,486	1,842	
St Louis Southwestern	187,953	192,680	-4,728	
Southern Railway	1,077,853	997,437	80,416	
Texas & Pacific	220,162	269,609	-49,447	
Toledo Peoria & Western	28,790	24,888	3,902	
Toledo St Louis & Western	78,615	77,797	818	
Wabash Central	480,048	584,831	-104,783	
Wheeling & Lake Erie	123,520	90,870	32,650	
Total (35 roads)	9,158,077	8,709,013	749,207	300,143
Net increase (5.15 p. c.)			449,064	

For the first week of October our final statement covers 39 roads and shows 3.45 per cent increase in the aggregate over the same week last year.

1st week of October.	1905.	1904.	Increase.	Decrease.
Previously reported (32 roads)	\$ 8,478,095	\$ 8,190,523	\$ 507,130	\$ 219,558
Alabama Great Southern	61,249	68,563	-7,314	
Chattanooga Southern	2,390	1,874	516	
Chic Indianapolis & Louisville	123,148	118,029	5,119	
Cinn New Or & Tex Pacific	151,466	140,147	11,319	
Gulf & Ship Island	931,759	941,509	-9,750	
Texas Central	20,238	19,877	361	
Toledo St Louis & Western	73,420	73,233	187	
Total (39 roads)	8,941,774	8,643,551	527,534	229,311
Net increase (3.45 p. c.)			298,223	

y Decrease due to yellow-fever quarantines.

Net Earnings Monthly to Latest Dates.—The following shows the gross and net earnings to latest dates of all STEAM railroads furnishing monthly statements. The compilation includes every road from which we can get a return of this character, and in that form is given once a month. Early returns are published from week to week, as soon as issued, but for the convenience of our readers all the roads making returns are brought together here in the week in which we publish our monthly article on net earnings—say about the 20th of the month.

Roads.	Gross Earn'gs Current Year.	Previous Year.	Net Earnings Current Year.	Previous Year.
Ala Gt Southern. See under Southern Ry System below.				
Allegheny Valley.....Aug	Inc 147,693		Inc 134,613	
Jan 1 to Aug 31.....	Inc 673,557		Inc 636,235	
Atch Top & S Fe.b.....Aug	5,967,032	5,444,334	2,071,574	2,191,850
July 1 to Aug 31.....	11,651,945	10,187,170	24,003,720	23,270,739
Atlanta & Charlotte.a.....July	346,486	317,285	70,261	76,787
Mar 1 to July 31.....	1,500,715	1,466,799	354,583	391,174
Atlantic & Birmingham.a.....Aug	91,759	78,815	32,212	25,985
July 1 to Aug 31.....	181,060	156,191	62,446	49,002
Atlantic Coast Line.a.....Aug	1,612,763	1,453,996	318,540	314,101
July 1 to Aug 31.....	3,302,676	2,929,083	806,149	720,538
Balt & Annap St L.a.....Aug	15,612	13,918	5,490	4,493
July 1 to Aug 31.....	30,895	27,521	10,849	8,634
Balt & Ohio.b.....Sept	6,547,806	6,048,760	2,555,353	2,518,461
July 1 to Sept 30.....	18,714,723	17,193,654	7,002,351	6,751,586
Bangor & Aroost'kb.....Aug	181,432	176,010	72,804	67,821
July 1 to Aug 31.....	349,224	329,828	126,920	117,011
Bellefonte Cent.b.....Sept	5,413	4,770	1,657	1,981
Jan 1 to Sept 30.....	44,376	40,137	12,588	10,151
Bridgeton & Saco Riv.b.....Aug	6,986	4,818	4,283	1,945
July 1 to Aug 31.....	12,299	9,215	6,517	3,649
Buff Roch & Pitts.b.....Aug	806,567	735,216	377,558	308,203
July 1 to Aug 31.....	1,573,054	1,384,411	718,570	565,137
Buffalo & Susq.a.....Aug	132,680	96,241	51,773	37,389
July 1 to Aug 31.....	245,253	176,557	84,166	68,667
California Northw.a.....Aug	181,619	169,069	84,616	46,491
July 1 to Aug 31.....	644,824	497,550	171,662	114,084
Canadian Northern.....Aug	337,900	302,700	111,700	99,500
July 1 to Aug 31.....	783,000	606,600	254,200	190,600
Canadian Pacific.a.....Aug	4,796,734	4,474,238	1,791,646	1,527,931
July 1 to Aug 31.....	9,425,909	8,873,072	3,429,424	2,977,583

Roads.	Gross Earnings Current Year.	Previous Year.	Net Earnings Current Year.	Previous Year.
Cent of Georgia.a.....Aug	827,820	725,992	185,066	170,200
July 1 to Aug 31.....	1,705,780	1,471,643	447,126	361,687
Central of New Jer.b.....Aug	2,248,388	1,979,575	1,197,913	960,814
July 1 to Aug 31.....	4,320,144	3,901,230	2,233,542	1,890,386
Chatt Southern.a.....Aug	11,494	13,431	786	5,166
July 1 to Aug 31.....	21,515	27,536	580	11,340
Ches & Ohio.b.....Aug	1,967,281	1,819,781	804,522	744,155
July 1 to Aug 31.....	3,742,894	3,491,284	1,480,053	1,359,540
Chicago & Alton.a.....Aug	1,056,300	1,193,064	347,707	484,367
July 1 to Aug 31.....	1,986,937	2,140,204	632,681	770,047
Chic Gt Western.b.....Aug	714,364	625,195	227,766	188,108
July 1 to Aug 31.....	1,346,933	1,153,909	409,431	305,511
Chic Ind & Louis.a.....Aug	560,011	510,816	227,775	213,936
July 1 to Aug 31.....	1,058,192	969,166	399,062	380,008
Chic M & St Paul.a.....Aug	4,467,405	4,205,054	1,451,574	1,445,003
July 1 to Aug 31.....	8,423,092	8,207,274	2,824,506	2,889,817
Chic Term Trans.b.....Aug	143,829	133,112	55,492	43,837
July 1 to Aug 31.....	284,282	266,995	114,048	88,733
Cin New Or & Tex Pac—See under Southern Ry System below.				
C C C & St L.b.....Aug	2,158,266	2,126,098	713,535	718,617
Jan 1 to Aug 31.....	14,280,201	13,890,003	3,469,226	3,475,089
Peoria & Eastern.b.....Aug	257,840	260,127	84,119	78,240
Jan 1 to Aug 31.....	1,778,636	2,017,510	399,116	483,500
Colorado & South.b.....Aug	596,492	490,749	176,815	148,309
July 1 to Aug 31.....	1,170,544	974,129	232,910	229,652
Col Newb & Lau.b.....Aug	19,449	15,973	4,265	4,063
July 1 to Aug 31.....	38,670	31,854	9,905	8,224
Copper Range.a.....July	61,173	56,490	30,981	28,512
Cornwall.a.....Aug	15,916	5,875	8,463	2,571
July 1 to Aug 31.....	34,379	11,950	18,376	5,155
Cornwall & Leban.b.....Aug	41,432	20,688	25,771	8,301
July 1 to Aug 31.....	81,091	38,088	50,148	13,906
Denver & Rio Gr.b.....Aug	1,690,261	1,424,977	713,069	575,691
July 1 to Aug 31.....	3,195,688	2,746,615	1,269,212	1,119,916
Detroit & Mack.a.....Aug	90,206	90,343	28,453	35,261
July 1 to Aug 31.....	177,608	170,780	44,750	56,732
Dul So Sh & Atl.b.....Aug	285,221	237,229	103,965	91,407
July 1 to Aug 31.....	554,719	474,137	206,776	178,624
Erie.a.....Aug	4,406,759	4,103,880	1,460,542	1,415,045
July 1 to Aug 31.....	8,366,059	8,034,325	2,645,649	2,802,888
Fairchild & Nor E.b.....Aug	1,774	2,866	def 61	def 891
July 1 to Aug 31.....	3,616	5,590	138	def 397
Fonda Johnst & Gl.b.....Aug	82,061	72,180	46,758	41,469
July 1 to Aug 31.....	164,115	143,755	93,175	81,701
Ft W & Deny City.b.....Aug	271,615	191,373	96,496	57,363
July 1 to Aug 31.....	506,049	383,046	159,279	115,943
Georgia RR.a.....Aug	211,384	193,666	53,440	46,138
July 1 to Aug 31.....	418,334	368,222	110,191	86,212
Georgia So & Florida—See under Southern Ry System below.				
Grand Trunk Ry(Can)Aug	2,656,135	2,580,705	860,397	856,504
July 1 to Aug 31.....	5,185,741	5,099,119	1,660,449	1,652,177
Grand Trunk West.Aug	490,056	367,421	97,330	4,380
July 1 to Aug 31.....	885,215	731,922	124,582	6,813
Det G H & Mil.....Aug	154,268	159,621	59,858	59,371
July 1 to Aug 31.....	292,963	289,556	102,196	96,843
Gulf & Ship Island.a.....Aug	145,658	159,080	31,141	44,387
July 1 to Aug 31.....	319,508	300,862	91,538	76,951
Hocking Valley.a.....Aug	575,791	609,473	231,454	270,630
July 1 to Aug 31.....	1,080,783	1,164,950	404,930	500,293
Illinois Central.a.....Aug	4,015,835	4,214,208	1,181,048	1,430,429
July 1 to Aug 31.....	7,764,834	8,019,392	2,088,165	2,514,255
Intercoastal of Mex.a.....Aug	512,505	453,708	128,209	82,217
Jan 1 to Aug 31.....	4,255,308	4,185,047	984,693	932,776
Iowa Central.a.....Aug	423,638	420,837	40,991	25,608
July 1 to Aug 31.....	844,759	840,723	88,123	52,223
Kanawha & Mich.a.....Aug	196,061	164,791	60,374	36,258
July 1 to Aug 31.....	365,489	309,609	98,802	51,444
Kan City Southern.a.....Aug	496,290	526,672	74,863	124,082
July 1 to Aug 31.....	1,005,996	995,971	159,842	206,166
Lehigh Val RR.b.....Aug	2,836,037	2,410,317	1,218,186	1,000,865
July 1 to Aug 31.....	5,484,296	4,966,863	2,309,803	2,082,423
Lexington & East.b.....Aug	47,473	39,890	14,699	11,010
July 1 to Aug 31.....	90,863	78,279	31,648	22,805
Long Island.b.....Aug	Inc38,589		Dec33,040	
July 1 to Aug 31.....	Inc104,717		Dec4,716	
Louisiana & Ark.a.....Aug	74,790	67,603	31,826	25,521
July 1 to Aug 31.....	150,486	126,000	61,320	45,772
Louisville & Nash.b.....Aug	3,402,605	3,222,369	894,115	1,073,608
July 1 to Aug 31.....	6,710,587	6,143,607	1,811,490	1,983,598
Manis & Northeast.a.....July	30,763	34,332	12,309	15,343
Jan 1 to July 31.....	267,872	254,758	104,863	97,356
Manistique.b.....Aug	13,017	9,628	4,950	def141
Jan 1 to Aug 31.....	66,990	54,827	19,093	7,212
Maryland & Penna.....Aug	35,199	30,780	14,059	11,379
March 1 to Aug 31.....	172,764	155,677	56,420	43,075
Mexican Central.....Aug	2,294,684	2,089,895	738,876	614,974
July 1 to Aug 31.....	4,443,923	4,066,708	1,351,431	1,130,596
Mexican Internat.....Aug	511,636	550,471	197,168	213,256
Jan 1 to Aug 31.....	4,262,768	4,682,881	1,631,819	1,951,933
Mineral Range.b.....Aug	69,027	58,280	9,156	19,969
July 1 to Aug 31.....	127,402	113,230	21,091	31,781
Minn & St Louis.a.....Aug	432,084	423,845	148,755	102,030
July 1 to Aug 31.....	862,244	850,660	265,377	188,912
Minn St P & S S M.b.....Aug	916,308	609,578	503,006	265,272
July 1 to Aug 31.....	1,693,742	1,261,057	849,014	569,440
Mo Kas & Tex.a.....Aug	1,722,633	1,530,822	448,525	432,975
July 1 to Aug 31.....	3,349,364	2,919,219	752,062	765,587
Mo Pacific Syst.b.....July	3,662,091	3,344,665	1,225,288	875,315
Jan 1 to July 31.....	23,492,478	23,703,284	5,738,999	5,641,211
Mobile & Ohio—See under Southern Ry System below.				
Nash Chat & St L.b.....Aug	872,772	888,761	203,532	266,549
July 1 to Aug 31.....	1,674,021	1,693,728	405,767	509,935
Nat RR of Mexico.....Aug	1,078,390	946,057	381,487	309,215
Jan 1 to Aug 31.....	8,170,941	7,720,562	2,697,236	2,447,275
Nev Cal & Ore.a.....Aug	23,724	23,164	11,769	11,654
July 1 to Aug 31.....	44,024	38,959	22,503	17,157
Nevada Central.b.....Aug	4,401	2,323	2,663	610
July 1 to Aug 31.....	8,134	4,069	4,567	def. 148
N Y Ont & West.a.....Aug	782,954	702,570	283,362	289,141
July 1 to Aug 31.....	1,491,477	1,349,376	513,705	534,106

Roads.	Gross Earn'gs		Net Earnings	
	Current Year.	Previous Year.	Current Year.	Previous Year.
N Y Susq. & West. a. Aug	245,698	211,510	83,864	58,854
July 1 to Aug 31...	442,514	391,771	135,162	118,858
Norfolk & Western. b. Aug	2,394,003	1,956,210	931,663	840,652
July 1 to Aug 31...	4,521,750	3,761,934	1,712,066	1,540,553
Northern Central. b. Aug	910,436	919,236	323,376	302,876
Jan 1 to Aug 31...	6,768,545	6,636,145	1,157,892	1,493,492
Ohio River & Western Aug	20,869	19,547	9,632	4,341
July 1 to Aug 31...	38,354	37,688	15,867	8,381
Pacific Coast Company—See under miscellaneous companies.				
Pennsylvania—				
Lines directly operated				
g East of P & E. Aug	11,967,490	10,299,890	4,496,062	4,113,662
Jan 1 to Aug 31...	55,183,869	76,476,669	23,992,556	22,371,556
West of P & E. Aug	Inc851,400		Inc53,600	
Jan 1 to Aug 31...	Inc4,803,300		Inc718,000	
Phila Balt & Wash. b. Aug	1,252,827	1,249,127	394,526	443,226
Jan 1 to Aug 31...	9,556,816	8,990,216	2,270,120	2,288,820
Phila & Erie. b. Aug	831,140	769,511	343,568	351,563
Jan 1 to Aug 31...	5,163,011	4,959,720	1,410,951	1,690,500
Pitts CC & St L. a. Aug	2,361,778	2,084,430	724,821	737,517
Jan 1 to Aug 31...	17,047,314	15,611,100	3,899,298	3,791,610
Raleigh & Southp. a. Sept	5,051	3,637	1,465	1,464
July 1 to Sept 30...	15,144	11,565	5,115	3,903
Reading Company—				
Phila & Read RR. b. Aug	3,492,781	2,954,758	1,462,522	1,297,967
July 1 to Aug 31...	6,591,059	5,616,195	2,751,302	2,386,144
Coal & Iron Co. b. Aug	2,279,361	2,281,211	88,337	71,451
July 1 to Aug 31...	4,124,358	4,619,150	98,484	282,717
Total both Cos. b. Aug	5,772,142	5,235,969	1,550,859	1,369,418
July 1 to Aug 31...	10,715,417	10,235,345	2,849,786	2,618,861
Reading Co. b. Aug	118,242	115,355	40,081	234,198
July 1 to Aug 31...	1,689,101	1,484,773	2,853,599	2,484,773
Total all Cos. b. Aug	116,234	110,940	31,357	27,420
July 1 to Aug 31...	260,490	238,929	84,817	75,292
Rich Fred & Pot. Aug	60,613	46,256	18,184	13,877
July 1 to Aug 31...	420,568	397,074	126,169	119,121
Rio Grande Junction. b. Aug	49,741	35,535	30,259	14,058
Dec 1 to Aug 31...	95,636	71,023	47,597	28,668
Rio Grande Sou. b. Aug	4,481,592	3,896,814	1,462,091	1,399,516
July 1 to Aug 31...	8,352,978	6,930,812	2,366,117	2,163,593
St Jo & Gr Island. b. Aug	144,527	135,052	55,103	42,342
July 1 to Aug 31...	278,375	226,847	104,166	60,430
St L & San Fr (including Chic & E Ill.) a. Aug	3,552,474	3,412,434	1,261,797	1,369,157
July 1 to Aug 31...	6,709,318	6,195,937	2,205,455	2,221,906
St Louis Southwest. b. Aug	718,877	714,139	175,870	241,802
July 1 to Aug 31...	1,389,058	1,356,120	338,164	428,043
Seaboard Air Line. a. July	1,120,865	971,245	308,198	225,704
July 1 to Aug 31...	124,205	121,875	53,858	55,869
Southern Indiana. b. Aug	231,554	226,727	96,918	99,849
July 1 to Aug 31...	8,591,941	7,779,376	2,483,883	2,483,883
Southern Pac Sys. a. Aug	16,781,118	14,909,935	5,462,581	4,485,141
July 1 to Aug 31...				
Southern Ry System—				
Southern Ry. a. Aug	4,258,535	4,041,552	1,290,547	1,225,784
July 1 to Aug 31...	8,281,489	7,757,669	2,237,676	2,142,828
Mobile & Ohio. a. Aug	699,302	671,828	190,897	216,072
July 1 to Aug 31...	1,402,737	1,270,192	404,936	350,783
Cin N O & T Pac. a. Aug	665,407	626,126	158,853	151,841
July 1 to Aug 31...	1,278,793	1,183,567	311,178	291,310
Ala Gt Southern. a. Aug	294,001	274,820	57,672	55,993
July 1 to Aug 31...	585,760	511,259	104,290	83,000
Ga So & Fla. a. Aug	146,201	134,752	31,501	27,472
July 1 to Aug 31...	294,471	266,644	73,274	61,194
Texas Central. a. Aug	73,823	61,989	30,896	13,824
July 1 to Aug 31...	136,590	101,992	55,687	16,549
Tidewater & Western. Aug	7,524	8,702	1,635	1,500
July 1 to Aug 31...	13,695	16,689	3,044	2,910
Toledo & Ohio Cent. a. Aug	411,479	387,995	152,921	144,489
July 1 to Aug 31...	738,001	753,305	237,670	273,997
Toledo Peoria & W. b. Sept	119,125	121,536	35,764	32,373
July 1 to Sept 30...	336,246	341,119	90,306	76,528
Union Pac System. a. Aug	5,758,736	4,812,090	2,677,191	2,209,713
July 1 to Aug 31...	11,214,448	9,477,692	3,551,081	4,432,096
Va & Southwest. b. Aug	82,446	50,832	32,921	25,790
July 1 to Aug 31...	156,452	97,523	61,995	39,705
Wabash. b. Aug	2,251,702	2,480,785	796,742	705,795
July 1 to Aug 31...	4,252,782	4,562,935	1,423,720	1,198,299
Western Maryland. a. July	380,202	315,483	119,084	118,717
West Jersey & Sea. b. Aug	773,950	691,450	418,361	365,661
Jan 1 to Aug 31...	3,261,683	3,077,083	1,038,155	886,955
Wheeling & Lake Erie Aug	488,382	397,136	131,928	91,814
July 1 to Aug 31...	891,498	746,680		
Wichita Valley (including W F & O Ry) a. July	12,170	4,110	9,330	1,668
Jan 1 to July 31...	47,913	25,987	28,815	7,914
Wmsport & Nor Bch. a. Aug	20,484	18,832	9,462	5,080
July 1 to Aug 31...	38,283	36,311	18,010	10,549
Wisconsin Central. b. Aug	641,003	602,094	257,609	243,907
July 1 to Aug 31...	1,232,398	1,180,863	484,181	475,592
Wrightav & Tenn. b. Aug	115,018	125,530	4,291	2,353
July 1 to Aug 31...	228,789	224,057	9,546	6,010
Yazoo & Miss Val. a. Aug	456,437	581,546	def109,528	103,602
July 1 to Aug 31...	985,073	1,102,390	def149,587	135,210

a Net earnings here given are after deducting taxes.

b Net earnings here given are before deducting taxes.

c These figures include results on the Buffalo & Allegheny Valley Division in both years.

d For August additional income is \$4,446 this year, against \$7,826 last year. From July 1 to August 31 additional income is \$8,112 this year, against \$13,150 last year.

e For August additional income is \$12,363 this year, against \$10,750 last year. From July 1 to August 31 additional income is \$26,460 this year, against \$20,532 last year.

f These figures represent 30 per cent of gross earnings.

g Including other income, total income (exclusive of results of coal companies) for August is \$1,277,788 in 1905, against \$1,093,954 in 1904, and for period from July 1 to August 31 is \$2,440,129 in 1905, against \$2,228,649 in 1904. Deductions from total income for additions and

improvements were \$111,076 in August 1905, against \$117,591 in 1904, and from July 1 to August 31 were \$143,646 in 1905, against \$230,967 in 1904.

h Includes \$404 "other income" for August this year, against \$380 last year and from July 1 to August 31, \$796 this year, against \$764 last year.

i These figures are in Mexican currency, and are convertible into gold at the current rate of exchange.

j For August 1905 taxes and rentals amounted to \$185,102 against \$190,463, after deducting which net for August 1905 was \$1,886,472, against \$1,723,386. From July 1 to August 31 1905 net after deducting taxes and rentals is \$3,633,129 this year, against \$2,884,169 last year.

k For July additional income and net profits from coal, etc., were \$30,914 this year, against \$25,005 last year.

l Net, after deducting taxes, is \$157,938 and \$128,432 for 1905 and 1904 respectively for August and \$290,723 and \$259,898 for period from July 1 to August 31.

Interest Charges and Surplus.—The following roads, in addition to their gross and net earnings given in the foregoing, also report charges for interest, &c., with the surplus above or deficit below these charges.

Roads.	Int., Rentals, etc.		Bal. of Net E'ngs.	
	Current Year.	Previous Year.	Current Year.	Previous Year.
Atlantic & Birmingham Aug	16,413	14,566	15,799	11,419
July 1 to Aug 31...	32,798	29,132	29,648	19,870
Bangor & Aroostook Aug	48,332	45,757	24,562	22,064
July 1 to Aug 31...	97,270	93,301	29,650	23,710
Bellefonte Central. Sept	330	360	1,327	1,621
Jan 1 to Sept 30...	2,970	3,240	9,618	6,911
Bridgeton & Saco Riv. Aug	543	543	3,740	1,402
July 1 to Aug 31...	1,086	1,086	5,431	2,563
Buffalo & Susq. Aug	23,409	15,675	238,315	237,450
July 1 to Aug 31...	46,526	31,350	256,808	238,709
Cal Northwest. July	27,887	27,047	59,159	40,546
Central of New Jersey Aug	6995,372	6997,557	502,641	363,267
July 1 to Aug 31...	61,298,042	61,160,923	935,500	739,463
Chic Gt Western. Aug	171,409	172,909	56,357	15,199
July 1 to Aug 31...	342,598	342,752	66,833	def37,241
Cleve Cinn Chic & St L Aug	345,534	323,638	369,145	236,041
Jan 1 to Aug 31...	2,675,471	2,637,402	284,060	298,171
Peoria & Eastern. Aug	44,600	44,765	240,769	234,885
Jan 1 to Aug 31...	357,673	354,868	249,218	231,477
Copper Range. July	8,437	8,437	22,544	20,075
Cornwall. Aug	794	241	7,669	2,330
July 1 to Aug 31...	1,743	386	16,633	4,773
Cornwall & Lebanon Aug	4,191	4,024	21,680	4,277
July 1 to Aug 31...	8,367	8,004	41,781	5,902
Denver & Rio Grande Aug	234,017	234,968	239,973	234,226
July 1 to Aug 31...	681,236	669,822	266,650	242,044
Duluth So Sh & Atl. Aug	86,641	89,142	118,056	33,052
July 1 to Aug 31...	173,281	176,283	34,967	22,120
Georgia RR. Aug	551,415	552,105	33,309	def5,967
July 1 to Aug 31...	1,012,531	1,014,900	210,827	def17,776
Gulf & Ship Island. Aug	25,645	24,323	27,513	220,636
July 1 to Aug 31...	51,340	44,469	244,258	233,834
Hocking Valley. Aug	67,824	70,672	170,503	212,649
July 1 to Aug 31...	142,018	141,436	271,867	354,061
Kanawha & Mich. Aug	20,133	20,140	240,929	116,680
July 1 to Aug 31...	40,468	40,347	259,631	212,471
Louisiana & Ark. Aug	11,650	11,350	220,886	116,772
July 1 to Aug 31...	23,300	22,700	239,458	228,376
Manistee & Northeast July	6,672	6,409	5,637	8,934
Jan 1 to July 31...	46,704	44,863	58,159	52,493
Maryland & Penna. Aug	3,833	2,875	10,226	8,504
Mar 1 to Aug 31...	23,000	17,250	33,420	25,825
Mineral Range. Aug	9,446	9,446	def97	210,627
July 1 to Aug 31...	18,892	18,892	2,603	128,093
Mo Kansas & Texas. Aug	362,800	350,014	85,725	82,961
July 1 to Aug 31...	722,073	701,632	29,989	63,955
Naah Chatt & St L. Aug	149,778	150,502	53,754	116,047
July 1 to Aug 31...	299,556	301,004	106,211	208,931
Nevada Cal & Ore. Aug	2,142	2,163	9,627	9,491
July 1 to Aug 31...	4,284	4,325	18,219	12,832
N Y Ont & West. Aug	468,425	457,772	214,937	231,369
July 1 to Aug 31...	1,135,688	1,115,460	378,017	418,746
Norfolk & Western. Aug	336,206	293,230	595,457	547,422
July 1 to Aug 31...	672,413	586,460	1,039,653	964,093
Reading—				
All companies. Aug	868,500	883,994	800,601	600,779
July 1 to Aug 31...	1,737,000	1,768,031	1,352,867	1,085,028
Rio Grande Junction. Aug	8,333	8,333	9,851	5,544
Dec 1 to Aug 31...	74,999	72,499	51,170	46,622
Rio Grande Southern. Aug	17,733	17,833	12,526	def3,773
July 1 to Aug 31...	36,043	36,244	214,743	def4,657
St Joseph & Gr Island Aug	21,354	22,745	33,749	19,997
July 1 to Aug 31...	42,707	45,000	61,459	16,430
Seaboard Air Line. July	255,032	247,571	259,692	def13,751
Texas Central. Aug	2,583	2,583	28,313	11,241
July 1 to Aug 31...	5,166	5,166	50,521	12,383
Toledo & Ohio Cent. Aug	37,569	36,525	215,760	215,091
July 1 to Aug 31...	75,664	75,075	163,223	213,578
Toledo Peoria & West Sept	22,859	23,007	12,905	9,366
July 1 to Sept 30...	68,374	69,067	21,932	7,461
Wichita Valley (including W F & O Ry) July	1,922	1,922	7,408	def 254
Jan 1 to July 31...	13,457	13,457	15,358	def5,543
Wmsport & Nor Bch. Aug	2,882	2,783	6,580	2,297
July 1 to Aug 31...	5,632	5,538	12,378	5,011
Wisconsin Central. Aug	148,347	146,333	110,314	100,573
July 1 to Aug 31...	299,796	294,711	219,935	186,623

Miscellaneous Companies.

Companies.	Gross Earn'gs.		Net Earnings.	
	Current Year.	Previous Year.	Current Year.	Previous Year.
Buffalo Gas Co. Aug			20,184	15,831
Oct 1 to Aug 31....			302,368	251,128
Cumberland Telephone & Telegraph Co. July	375,729	327,189	135,788	120,286
Jan 1 to July 31....	2,620,589	2,273,853	1,002,873	918,217
April 1 to July 31....	1,506,026	1,303,211	548,106	502,202
Cuyahoga Teleph. Aug	50,528	37,458	21,701	15,794
Jan 1 to Aug 31....	373,665	277,409	162,553	121,415
Edison Elect Illuminating Co (Brockton, Mass.) Aug	10,314	8,165	2,376	2,606
Jan 1 to Aug 31....	87,223	72,321	21,407	31,665
Fall River Gas Works. Aug	31,054	26,453	13,937	8,459
July 1 to Aug 31....	57,091	52,154	22,877	18,962
Houghton Co Electric Lt (Hancock, Mich.) Aug	14,249	11,874	6,019	4,129
Jan 1 to Aug 31....	123,398	104,631	59,468	41,803
Hud Riv Elec Pow Co. Aug	76,542	59,887	42,178	35,868
Jan 1 to Aug 31....	455,573	332,952	188,574	159,795
Lowell Elect Light Corporation (Mass.) Aug	18,286	17,279	6,204	6,811
July 1 to Aug 31....	36,595	34,418	11,697	13,705
Milwaukee Gas Lt Co Sept			73,696	61,750
Jan 1 to Sept 30....			590,064	537,657
Minn Gen Electric. Aug	33,178	43,519	20,134	18,121
July 1 to Aug 31....	104,421	86,541	41,845	39,723
Pacific Coast. Aug	654,237	614,740	155,595	128,686
July 1 to Aug 31....	1,251,010	1,215,505	301,196	256,524
Pocahontas Collieries. Aug			19,153	
Jan 1 to Aug 31....			149,489	

a Net earnings here given are after deducting taxes.

Interest Charges and Surplus.

Companies.	Int., Rentals, etc.		Bal. of Net E'ngs.	
	Current Year.	Previous Year.	Current Year.	Previous Year.
Cumberland Telephone & Telegraph Co. July	22,725	17,689	113,063	102,597
Jan 1 to July 31....	153,436	145,753	849,437	772,464
April 1 to July 31....	92,294	82,045	455,812	420,157
Cuyahoga Teleph. Aug	13,649	10,206	8,052	5,588
Jan 1 to Aug 31....	98,992	81,059	63,561	40,326
Edison Elect Illuminating Co (Brockton, Mass.) Aug	729	863	1,647	1,743
Jan 1 to Aug 31....	5,537	8,000	15,870	23,665
Fall River Gas Works. Aug	1,058	215	13,382	8,242
July 1 to Aug 31....		473	21,819	18,489
Houghton Co Electric Light (Hancock, Mich.) Aug	2,187	2,187	3,832	1,942
Jan 1 to Aug 31....	17,501	17,601	41,957	24,202
Lowell Elect Light Corporation (Mass.) Aug	697	1,157	5,507	5,654
July 1 to Aug 31....	1,389	2,308	10,308	11,397
Minneapolis Gen Elec. Aug	9,071	9,511	11,063	8,610
July 1 to Aug 31....	18,142	18,909	23,708	20,514
Pocahontas Collieries. Aug	16,016		3,137	
Jan 1 to Aug 31....	112,745		22,033	

d Charges include sinking fund and preferred dividend.

STREET RAILWAYS AND TRACTION COMPANIES.

Name of Road.	Latest Gross Earnings.		Jan. 1 to latest date.	
	Week or Month.	Current Year.	Previous Year.	Current Year.
Albany & Hudson. July		41,498	33,228	178,042
American Ry & Co. September		143,362	127,902	465,454
Aur Elgin & Chi Ry. September		63,770	46,786	447,888
Binghamton Ry. September		25,476	22,418	211,357
Boston & Worcester. August		63,324	55,866	
Burlington (Vt) Tr. September		8,520	6,630	
Cal Gas & Electric. July		435,971	320,857	3,030,224
Central Market St. July		14,765		2,173,393
Cent Penn Trac. September		51,970	44,132	397,959
Chi & Mil Elec. September		64,788	53,712	324,278
d Chi & Oak Park. September		66,078	58,887	600,643
Cin Northern Trac. August		54,028	51,342	219,846
Citizens' Ry & L/Ht (Muscatine, Ia) September		10,296	10,415	90,209
Clev & SW Tr Co. September		52,966	46,289	400,703
Clev Painsv & E. August		20,554	25,845	159,623
Col Lon & Spring. July		22,052		3,557,590
Detroit United Ry. 2d wk Oct		97,724	85,513	4,023,567
Duluth Street Ry. 2d wk Oct		12,967	10,871	515,359
East St L & Sub. September		118,024	131,477	980,630
Elg. Aurora & So. September		43,809	38,886	355,010
El Paso Electric. August		22,763	20,776	446,420
El Wayne & Wab Valley Trac. August		94,835	84,528	614,846
Galveston Elect Co. August		25,734	25,605	210,845
Havana Elec Ry Co. Wk Oct 15		740,105	730,669	1,543,915
Honolulu Rapid Tr & Land Co. August		25,823	26,388	211,668
Houghton Co St Ry. August		20,771	18,810	498,120
Houston Elec Co. August		43,810	24,687	
Illinois Trac Co. September		128,288	99,040	1,066,719
Indianap & East Ry. August		24,469	22,237	151,158
Indianap & North-western Traction. August		42,404		
Internat Trac Co System (Buffalo) August		479,890	434,035	2,986,798
Jackson Consol Tr. August		14,365	10,534	252,475
Jacksonv Elec Co. August		23,995	23,828	208,728
Kan City Ry & Lt. August		432,672		3,107,578
Lake Sh Elec Ry. August		95,190	78,615	509,467
Lehigh V Trac Co Street Ry Dep. August		62,274	56,150	384,919
Elce Light Dep. August		13,274	12,934	112,222
Lexington Ry. September		43,526	35,436	272,197
Madison Traction. September		10,048	8,497	
Manila El Ry & L Ry Dept. 2d wk Oct		9,550		
Met West Side Elev. September		186,640	161,866	1,654,451
Mill Elec Ry & Lt Co. September		280,353	279,852	2,375,267
Mt Lk H & Tr Co. September		67,020	48,615	464,224
Montreal Street Ry. August		262,009	236,245	1,805,711
Norfolk Ry & Lt. August		76,621	72,518	482,082
Nor Ohio Tr & Lt Co. September		88,268	80,785	716,513
Northern Tex Trac. August		59,244	48,626	421,698

Name of Road.	Latest Gross Earnings.		Jan. 1 to latest date.	
	Week or Month.	Current Year.	Previous Year.	Current Year.
Northwestern Elev. September		111,460	99,610	1,026,379
Oakland Tr Cons. July		119,816	104,276	804,157
Orange Co Trac. August		15,946	15,875	83,744
Peeks Ltg & RR Co. August		12,157	11,465	80,968
Pittsburgh M'Keesport & Greensburg. July		22,423	20,532	100,327
Pottsv Union Trac. September		21,708	18,799	171,777
Rys Co Gen—R'ds. August		40,556	36,881	248,676
Light Co's. August		1,956	2,081	16,237
Rochester Railway. September		152,689	122,211	1,307,397
Rockford Beloit & Janesville. September		13,317	13,261	113,403
St Joseph (Mo) Ry. September		67,001	59,816	552,788
San Fran Oak'd & San Jose Ry. July		43,015	33,430	300,018
Sao Paulo (Brazil) Tran L & P Co. Wk Oct 1		43,201	36,341	653,211
Savannah Elec Co. August		51,164	49,932	
Schuylkill Ry Co. September		18,134		4102,711
Scranton Railway. September		84,825	77,545	709,662
Seattle Electric Co. August		224,936	192,368	1,646,856
South Side Elev. September		135,864	112,680	1,214,756
Syracuse R T Ry. August		79,932	71,328	616,486
Tampa Electric Co. August		29,060	30,009	261,680
Terre Hte T & L Co. August		58,049	54,426	400,912
Toledo Rys & Light. September		163,643	150,344	1,407,778
Toledo & Western. August		25,961	22,974	154,984
Toronto Railway. Wk Oct 14		52,785	46,020	1,225,641
Twin City Rap Tr. 1st wk Oct		65,590	81,791	3,578,275
Un'd Rys of St L. September		2728,508	1,051,899	6,239,579
United of San Fran. August		609,930	552,234	4,573,286
Wash Alex & Mt V. September		22,941	22,350	186,378
Yonest'n-Sharon. September		44,968	37,194	395,543

a Totals are from April 17 1905. b Totals are from June 25 in both years. c Totals are from July 1 in both years. d These are results for main line. h These are the combined earnings of all the constituent companies. k Decrease due to a strike and boycott. x Decrease due to the fact that the Louisiana Purchase Exposition was open last year. y Spanish silver. z Totals are from May 1 in both years.

Street Railway Net Earnings.—The following table gives the returns of STREET railway gross and net earnings reported this week. A full detailed statement, including all roads from which monthly returns can be obtained, is given once a month in these columns, and the latest statement of this kind will be found in the issue of Sept. 30, 1905. The next will appear in the issue of Oct. 28 1905.

Roads.	Gross Earn'gs.		Net Earnings.	
	Current Year.	Previous Year.	Current Year.	Previous Year.
Aurora Elgin & Chic. Sept	63,770	46,786	32,142	23,918
Jan 1 to Sept 30....	447,588	340,177	208,242	138,736
July 1 to Sept 30....	209,973	158,857	112,299	82,728
Binghamton Ry. b. Sept	25,476	22,418	12,238	9,818
Jan 1 to Sept 30....	211,357	192,520	104,654	88,633
July 1 to Sept 30....	87,554	78,917	48,138	41,726
Central Penn Tract. Sept	51,970	44,132	14,812	5,746
Jan 1 to Sept 30....	435,137	397,959	81,848	48,141
Chic & M Elect Ry. Sept	64,788	53,712	42,014	36,316
Jan 1 to Sept 30....	411,861	324,278	239,020	198,534
Cleve & So West. b. Sept	52,966	46,289	23,980	20,281
Jan 1 to Sept 30....	400,703	353,072	165,240	128,933
Detroit United. a. Sept	490,241	421,937	222,378	187,352
Jan 1 to Sept 30....	3,825,647	3,387,225	1,556,215	1,312,522
Elgin Aurora & So. b. Sept	43,809	38,886	20,186	17,454
July 1 to Sept 30....	140,793	127,259	70,287	63,372
Illinois Traction. a. Sept	128,268	99,040	59,990	50,004
Jan 1 to Sept 30....	1,066,719	769,160	465,151	337,206
Indianap & East. Aug	24,469	22,237	11,437	11,925
Jan 1 to Aug 31....	151,158	139,077	59,230	66,385
Jackson Consolidated Traction (Mich.) Aug	14,365	10,534	6,128	
May 1 to Aug 31....	52,475	37,695	23,640	
Lexington Ry. b. Sept	43,526	35,436	22,062	14,968
Jan 1 to Sept 30....	272,197		110,113	
Mil El Ry & Lt. b. Sept	280,353	279,852	158,066	151,361
Jan 1 to Sept 30....	2,375,267	2,364,792	1,218,626	1,171,685
Mil Lt Heat & Tr. b. Sept	67,020	48,615	43,471	30,046
Jan 1 to Sept 30....	464,224	348,460	269,930	182,573
Norfolk Ry & Lt. b. Aug	76,621	72,518	31,364	30,095
Jan 1 to Aug 31....	482,082	445,635	190,974	179,500
Northern Ohio Traction & Light. a. Sept	88,268	80,785	43,410	39,432
Jan 1 to Sept 30....	716,513	669,714	335,503	306,031
Rockford Beloit & Janesville. a. Sept	13,317	13,261	6,354	6,236
Jan 1 to Sept 30....	113,403	105,273	48,017	40,848
Toledo Rys & Lt. a. Sept	163,643	150,344	80,562	70,936
Jan 1 to Sept 30....	1,407,778	1,289,944	688,133	597,796
Twin City Rap Tr. b. Sept	454,061	373,943	278,030	207,926
Jan 1 to Sept 30....	3,482,685	3,208,168	1,904,338	1,698,001
Yongs-Sharon Ry. a. Sept	44,968	37,194	22,906	12,704
Jan 1 to Sept 30....	395,543	340,099	183,550	133,765

a Net earnings here given are after deducting taxes.

b Net earnings here given are before deducting taxes.

g These earnings include besides the railroad property the results of the gas, electric light and steam heating properties.

Interest Charges and Surplus.

Roads.	Int., Rentals, etc.		Bal. of Net E'ngs.	
	Current Year.	Previous Year.	Current Year.	Previous Year.
Detroit United. Sept	92,974	89,802	2132,680	2100,091
Jan 1 to Sept 30....	829,181	803,065	2759,909	2539,677
Elgin Aurora & So. Sept	9,333	9,333	10,853	8,121
July 1 to Sept 30....	27,839	27,839	42,448	35,533
Indianap & East. Aug	4,167	4,167	7,270	7,758
Jan 1 to Aug 31....	34,335	33,334	24,895	33,051
Lexington Ry. Sept	9,199	5,611	16,143	9,357
Jan 1 to Sept 30....	53,237		56,876	
Mil Elect Ry & Lt. Sept	80,138	79,153	279,664	273,871
Jan 1 to Sept 30....	689,139	677,944	2543,011	2505,039
Mil Lt Heat & Tract. Sept	23,357	18,653	20,114	11,393
Jan 1 to Sept 30....	188,764	150,344	81,166	232,482

	Par value.	Book value
Northern Pac. gen. lien bonds	\$182,000	\$137,173
St. Paul-Duluth Division bonds	361,000	361,000
Northern Improvement Co. bonds	7,000	7,000
do do stock	2,775,000	2,775,000
Washington & Columbia River Ry. stock	3,000,000	
Washington Canal Ry. bonds	1,800,000	291,371
do do stock	1,000,000	221,279
Clearwater Short Line Ry. stock	2,142,200	2,142,200
Lake Superior Terminal & Transfer Ry. stock	39,800	
St. Paul Union Depo. stock	86,250	86,250
—V. 81, p. 1101-614.		

This index does *not* include reports in to-day's "Chronicle."

Wisconsin Central Railway.
(Report for the Fiscal Year ending June 30 1905.)
The remarks of President H. F. Whitcomb are given in full on page 1263.

	1904-05.	1903-04.	1902-03.	1901-02.
	977	977	977	977
Miles oper. June 30..				
Operations—				
Total tons carried....	4,213,618	3,944,020	4,316,300	4,004,906
Tons carried 1 mile....	740,632,529	741,324,938	737,111,511	636,393,127
Avg. rate p. ton p. m....	0.666 cts.	0.643 cts.	0.682 cts.	0.760 cts.
Avg. rev. tons p. tr. m....	317.45	308.02	303.66	286.64
Earns. p. fr't tr'n m....	\$2.12	\$1.98	\$2.07	\$2.00
No. of pass. carried....	1,164,869	1,159,904	1,122,060	1,059,910
do do do 1 m....	67,058,539	65,037,771	68,162,611	58,036,192
Avg. dist. car'd 1 m....	57.57	56.07	56.31	54.76
Avg. earnings per passenger p. m. Cents.	2.00	2.07	2.05	2.08
Avg. earnings per passenger train mile—Cents.	95.73	94.51	90.51	88.37
Gross earns. p. mile....	\$6,807	\$6,618	\$6,508	\$6,178
Earnings—				
Freight.....	4,936,220	4,765,605	5,024,477	4,508,877
Passenger.....	1,406,126	1,404,783	1,359,570	1,267,860
Mail, expr. & miscell....	308,538	294,789	267,815	265,234
Total.....	6,650,884	6,466,177	6,651,862	6,041,471
Expenses—				
Maint. of way & struc....	866,203	737,205	763,697	781,674
Depreciation of equipment	778,650	709,160	721,451	697,956
Conducting transp'n....	2,466,114	2,629,144	2,459,098	2,253,947
General expenses.....	265,343	266,931	262,183	238,156
Total.....	4,374,337	4,342,440	4,205,993	3,883,374
P. c. of exp. to earns....	(65.77)	(67.16)	(63.23)	(64.28)
Balance, net earnings	2,276,547	2,123,737	2,445,869	2,158,097
Other income.....	42,837	51,196	38,430	37,076
Total net income.....	2,319,384	2,174,933	2,484,299	2,195,173
Deduct—				
Taxes accrued.....	264,351	252,213	234,201	218,493
Interest on bonds.....	1,127,339	1,127,456	1,132,391	1,118,780
Depreciation accrued	379,447	369,840	392,434	370,644
Miscellaneous.....	1,604	1,188	1,111	6,422
Total.....	1,763,541	1,750,686	1,760,227	1,715,066
Surplus.....	555,843	424,247	724,072	480,108

	1904-05.	1903-04.	1902-03.	1901-02.
Deduct—				
Interest on bonds.....	1,506,468	1,356,778	1,612,999	1,245,889
Rentals.....	264,764	225,655	157,523	132,138
6 p. c. on pref. stock.....	499,842	409,842	409,842	409,842
Div. on com. stock.....	(5)360,890	(8)577,424	(6)433,088	(6)431,808
Deprec. of equipment.....		400,121	289,971	535,570
New construct'n, etc.....				
Total	2,631,964	2,969,820	3,203,403	2,826,909
Balance, surplus.....	def. 80,267	357,830	341,155	

	1905.	1904.	1903.	1902.
Assets—				
Road & equipm't.....	44,255,438	42,210,205	Common stock.....	7,217,800
Bonds, stocks and			Preferred stock.....	8,830,700
other investments.....	4,372,168	2,228,640		6,530,700
Sinking fund.....	762,633	696,828	Indus. Sec.....	27,462,000
Bills and accounts.....	1,643,711	2,122,744	Car trust notes.....	3,530,579
Materials and sup-			Interest & div'nd.....	2,847,636
plies.....	1,019,583	723,243	Taxes, etc.....	33,378
Cash assets.....	14,671	795,454	Pay-rolls, vouch.,	2,678,447
Cash.....	844,491	869,435	Income account.....	2,581,355
Total	52,902,697	49,646,550	Total	52,902,697

—V. 81, p. 1045, 30.

Western Maryland Railroad.*(Report of Operations under Syndicate Control.)*

The syndicate managers, viz., Myron T. Herrick, Winslow S. Pierce, Edward L. Fuller, Alvin W. Krech, Howard Gould and Joseph Ramsey Jr., in their final announcement recently made (V. 81, p. 976), say in substance:

Unification of Properties.—The company has acquired the balance outstanding of the capital stock of the West Virginia Central & Pittsburgh Ry. Co. and of the Piedmont & Cumberland Ry. Co., and proceedings will be shortly consummated by stockholders' action at special meetings already called, providing for the conveyance to the Western Maryland RR. Co. of the Western Maryland Tidewater RR., the Potomac Valley Ry., the Piedmont & Cumberland Ry., the West Virginia Central & Pittsburgh Ry. and the Coal & Iron Ry. This will result that the Western Maryland Company's owned line will, upon the completion of the construction of its Cumberland extension, extend uninterruptedly from its Baltimore terminals to the terminus of the West Virginia Central property at Durbin and Belington in West Virginia, and together with the lines of its proprietary and leased companies will embrace a system of 534 miles, with continuous transportation facilities from its proprietary coal fields in Maryland and West Virginia (of more than 100,000 acres in extent) to its own tidewater terminals at Baltimore, with additional terminal at Shippensburg and York, Pa. The proceedings referred to also embrace conveyances directly subjecting the several properties to be so acquired to the lien of the "general lien and convertible mortgage," as well as of the first mortgage of the company.

Cumberland Extension.—The engineers of the company state that the extension joining the Western Maryland and the West Virginia Central properties will be completed by the close of the present calendar year. The length of the line, from the point of its connection with the Western Maryland Railroad at Big Pool (opposite Cherry Run) to the junction with the West Virginia Central Railway near Cumberland, is 59.28 miles, of which 62%, or 37.05 miles, are tangent. The maximum of curvature is 6 degrees, the maximum grade opposed to east-bound traffic is 15.84 feet per mile (three-tenths of one per cent), and the maximum grade opposed to the west-bound traffic is 26.4 feet per mile (five-tenths of one per cent)—the character of construction being such and the grades and alignment being so favorable as to ensure the highest efficiency and economy in operation of this new line.

Upon the completion of this construction two results will be accomplished: (a) The existing traffic will yield a substantial increase of gross and net earnings, as the system will then receive the entire tide-water rate on business handled from its coal fields to its own tidewater terminals and a largely increased proportion (due to extended haul) of joint rates on business handled in connection with other Eastern lines. (b) A large increase in gross and net revenue from joint traffic already developed and tributary to the disconnected parts of the system, the interchange of which has not heretofore been practicable and no adequate outlet for which has heretofore existed.

Tidewater Terminals.—The tidewater terminals and facilities at Baltimore, as originally contemplated, have been completed and are in operation. These terminals comprise an extension of the main line, about 6 miles in length, to Port Covington, where the merchandise pier, coal export pier, transfer facilities and appurtenant yard and trackage facilities are situated. The company has also acquired other waterfront property on the north side of Baltimore harbor, and has considerably extended its trackage area and is building important additional storage and freight-handling structures at its Hillen terminals in Baltimore.

New Equipment.—In line with its provisions for the larger coal and coke tonnage which will result from the connection of the two main properties of the system, as well as to meet the increasing requirements of its general freight business and passenger traffic, the company has recently ordered for early delivery further equipment, viz.: 50 stock cars of 60,000 lbs. capacity; 1,250 steel underframe cars of 80,000 lbs. capacity (namely 50 flat cars, 500 box cars and 700 gondola cars); 500 steel hopper-bottom coal cars of 100,000 lbs. capacity; 18 consolidation freight engines; 3 six-wheel switch-engines and 5 ten-wheel passenger engines.

Acquisitions of New Property.—The company has concluded the purchase on advantageous terms of nearly 5,000 acres of desirable coking coal lands situated along and contiguous to the line of the West Virginia Central Railway in Tucker, Grant and Mineral counties, W. Va., and Garrett County, Md. These lands are included in the portion of the large coal reserve which is directly accessible to opening and development.

The company has recently acquired, also on advantageous terms, the properties known as the "Weaver coal operations." These properties consist of about 6 miles of railroad extending from Weaver to Belington, W. Va., with suitable sidings and spurs to coal operations, and with an equipment of 3 locomotives and 641 freight cars, and also of coal properties comprising approximately 1,300 acres of surface lands and coal underlying approximately 1,700 additional acres of land, three developed mining operations, 253 coke ovens and the stores, dwellings and general mining equipment connected therewith. These properties under existing operation are profitable *per se* and a source of net revenue independently of business contributed to the system.

Outlook.—For a period of about three years the Western Maryland RR. and the West Virginia Central & Pittsburgh Ry. have been operated as disconnected properties without tidewater outlet, except that recently afforded to a single and substantially local part of the system by the completion of terminals at Baltimore. This period has been one of construction involving the expenditure of very large sums of money from which all substantial returns have necessarily been postponed until the completion of construction designed to make a single system of disconnected properties. During this period the separated properties of the system, now about to be unified, have, notwithstanding adverse efforts and influences exceeding ordinary competition, been operated with satisfactory results. The syndicate managers believe that the results of disconnected operations and the practical assurance of returns from the large expenditures made to develop these properties and unite them in an independent system justify the confidence which the Managers feel and now express in the profitable character of the enterprise.

The following statements, comprising condensed and consolidated balance sheet and income account covering three years ended June 30 1905, substantially the period of operation of the system under syndicate control, have been furnished by the Railroad company.

Consolidated Income Accounts for Three Years Ended June 30 1905.

Gross earnings, railways.....	\$11,246,180	Net profits, coal and allied departments.....	\$1,923,997
Operating expenses and taxes.....	7,194,271	Interest, royalties, miscellaneous income, etc.....	511,341
Net earnings, railways.....	\$4,051,909	Total net income.....	\$6,487,247
Fixed charges (including interest on bonds of subsidiary companies, rentals, etc.).....			4,665,325
Surplus for three years.....	\$1,821,922		

Consolidated Balance Sheet June 30 1905 of Western Maryland RR. Co., West Virginia Central & Pittsburgh Ry. Co. and Coal & Iron Railway Co.

Assets—		Liabilities—	
Cost of property (incl. stocks of proprietary companies).....	\$63,387,260	Common stock.....	\$15,685,400
Invest. Chesapeake & Ohio Canal.....	157,325	Preferred stock.....	324,000
Cash & cash items.....	1,611,540	First mortgage.....	31,923,875
Due from foreign road, agents and conductors.....	481,839	"General lien and convertible" bonds.....	10,000,000
Accounts and bills receivable, etc.....	930,448	West Va. Cent. & Pitts. First M.....	3,250,000
Materials and supplies.....	439,972	Coal & Iron Railway First M.....	1,000,000
		Sundry station loans.....	96,964
		Equip. and ins. funds.....	45,905
		Vouchers, pay-rolls, coupons, etc., not due.....	1,577,741
		Charges accrued, not due.....	403,154
		Current accounts with prop. cos. (balance).....	119,423
		First M. bond loans.....	760,000
		Income accounts.....	1,821,922
Total.....	\$67,008,384	Total.....	\$67,008,384

Note.—The funded debt will be increased by the bonded indebtedness of the Piedmont & Cumberland Ry. Co. and the Potomac Valley RR. Co., amounting respectively to \$650,000 and \$1,300,000 upon the acquisition of these properties under the pending proceedings above referred to.

The managers are advised that publication of annual reports of the system will also be resumed.

Compare V. 79, p. 2692 and V. 81, p. 266.—V. 81, p. 976, 900.

Evansville & Terre Haute Railroad.*(Report for Fiscal Year Ending June 30 1905.)*

President A. J. Davidson says in substance:

Results Include E. & I. R.—Reports heretofore rendered have included only the operations of the Evansville & Terre Haute RR. Co., exclusive of the line of the Evansville & Indianapolis RR. Co., whose entire capital is owned by your company. This report includes the affairs and operations of both companies. In order to make exhibits comparative, the figures for the preceding year have been re-stated to meet the changed conditions.

Maintenance.—7.93 miles of track have been relaid with 1,057 tons of 85 and 80-lb. steel rail. Two miles of road have been re-ballasted with gravel; 129,494 cross-ties, or about 10%, have been replaced. Nine extensions, aggregating 13.22 miles, were constructed at a cost of \$88,485.

Equipment.—Equipment notes have been paid during the year amounting to \$55,081. There still remains outstanding \$579,013, of which \$400,000 was issued February 1905 to Blair & Co. for the purchase of 500 flat bottom dump coal cars, series 8,001 to 8,500, inclusive. The remaining notes, amounting to \$179,013, held by Pullman Co., were issued for the purchase of 400 coal cars and three coaches, purchased during September 1903.

Operation.—The result from operation shows a decrease in gross earnings compared with last year of \$39,188, or 1.9%. Gross earnings were \$6,604 per mile of road, against \$6,762 per mile last year. The tonnage handled shows an increase of 314,276 tons, or 14.1%. The ton mileage has increased 1,908,781 miles, or 1.5%. The average rate per ton per mile was 1.068 cents. The operating expenses, exclusive of taxes, decreased \$199,471, or 16.1%, the ratio to gross earnings being 50.7%.

Statistics.—The yearly statements compare as follows:

	1904-05.	1903-04.	1902-03.	1901-02.
OPERATIONS, EARNINGS, ETC.				
Total miles operated.	310	309	162	162
Operations—				
Passengers carried.....	721,522	722,003	434,751	361,934
Pass. carried 1 mile.....	22,171,191	22,545,868	15,975,485	14,304,297
Rate per pass. per m.....	2.533 cts.	2.409 cts.	2.435 cts.	2.385 cts.
Rev. fr't (tons) car'd.....	2,538,953	2,224,677	2,036,350	1,810,425
Rev. fr't (tons) 1 m.....	131,201,728	129,292,947	123,619,058	109,344,068
Rate per ton per mile.....	1.068 cts.	0.981 cts.	0.889 cts.	0.848 cts.
Pass. earnings (all).....	\$1,017	\$0,991	\$1,120	\$1,168
Fr't earnings, p. tr'n m.....	\$2,608	\$2,414	\$2,488	\$2,327
Gross receipts p. mile.....	\$6,604	\$6,762	\$10,661	\$5,998
Earnings—				
Passengers.....	561,534	543,162	389,489	341,228
Freight.....	1,400,875	1,267,701	1,099,561	927,749
Mail, express, etc.....	87,738	278,473	233,264	184,682
Gross earnings.....	2,050,147	2,089,336	1,722,314	1,453,659
Expenses—				
Maint. of way, etc.....	188,743	289,341	198,787	138,603
Maint. of equipment.....	282,797	286,552	233,311	189,976
Conduct. transport'n.....	486,529	584,120	392,742	358,591
General.....	80,522	78,049	70,518	62,014
Total expenses.....	1,038,591	1,238,062	895,358	749,184
P. c. of exp. to earnings.....	(50.7)	(59.6)	(51.9)	(51.5)
Net earnings.....	1,011,556	851,274	826,956	704,475
Other income.....	28,244	36,228	36,325	39,233
Total.....	1,039,800	887,502	863,281	743,708
Deduct—				
Interest and rentals.....	514,160	509,281	352,290	349,242
Taxes.....	90,929	99,639	74,642	66,380
Ev. & Ind. deficit.....			34,000	64,054
Depleted equipment.....				189,379
Improvements.....	79,286			
6% on pref. stock.....	64,167	64,167	64,167	64,167
Total disbu'm'ts.....	748,542	673,087	525,189	733,222
Surplus.....	291,258	214,415	338,092	10,486

GENERAL BALANCE SHEET JUNE 30
(Including Finance & Ind.)

Assets—	1905.	Liabilities—	1905.
Cost of road.....	13,040,305	Common stock.....	5,987,383
Equipment.....	3,653,251	Preferred stock.....	1,283,353
Materials on hand.....	151,051	Funded debt (see "Railway & Industrial" Section).....	9,127,000
Cash on hand.....	469,818	Unclaimed dividend.....	212,632
Due from agents, etc.....	84,789	Pay-rolls and vouchers.....	184,558
Bills receivable.....	67,567	Equipment notes.....	579,013
Advances.....	517,227	Taxes, ins., etc., in suspense.....	39,543
Bonds and stocks owned.....	517,227	Income account.....	597,210
Accounts in suspense.....	—		
Total.....	18,014,309	Total.....	18,014,309

—V. 79 p. 2082

Pacific Coast Company.

(Report for Fiscal Year Ending June 30 1905.)

The text of the report, signed by H. W. Cannon, President and Chairman of the board, and J. C. Ford, Vice-President and General Manager, is cited at considerable length on page 1264 of to-day's "Chronicle."

Statistics.—The earnings and expenses, income account and balance sheet have been as follows:

EARNINGS AND EXPENSES FOR YEAR 1904-05.

Department—	Gross earnings.	Expenses and taxes.	Net earnings.
Pacific Coast Steamship Co.....	3,713,484	3,200,557	512,927
Rail lines—			
Pacific Coast Ry. Co.....	197,964	152,516	45,448
Columbia & Puget Sound RR. Co.....	494,612	218,278	276,334
Coal department.....	1,642,800	1,175,998	466,802
Lumber, grain, rentals and miscel.....	150,416	45,060	105,355
Taxes and general.....	—	73,751	def. 73,751
Total.....	6,199,276	4,866,160	1,333,115

INCOME ACCOUNT—ALL COMPANIES.

	1904-05.	1903-04.	1902-03.	1901-02.
Gross earnings.....	6,199,276	5,902,973	5,606,753	5,074,207
Oper. exp. & taxes.....	4,866,161	4,717,944	4,394,775	3,985,516
Net earnings.....	1,333,115	1,185,029	1,211,978	1,088,691
Int., discount & misc.....	27,624	45,432	44,378	41,114
Total net income.....	1,360,739	1,230,461	1,256,356	1,129,805
Deduct—				
Interest on bonds.....	222,300	222,300	222,300	222,300
Depreciation fund.....	—	—	—	200,000
Improv't, equip., etc.....	10,793	9,343	18,115	25,928
"Exhaustion fund".....	18,400	19,454	21,504	16,376
Dividend on 1st pref.....	(5)76,250	(5)76,250	(5)76,250	(5)76,250
do on 2d pref.....	(5)200,000	(5)200,000	(5)200,000	(4)160,000
do on common.....	(5)350,000	(5)350,000	(5)350,000	(4)280,000
Total.....	877,743	877,347	888,169	980,854
Balance, surplus.....	482,996	353,114	368,187	148,951

CONDENSED BALANCE SHEET JUNE 30—ALL COMPANIES.

Assets—	1905.	1904.	1903.
Property (including stocks and bonds of proprietary companies).....	18,143,217	17,983,018	16,476,106
Bonds and stock in treasury.....	—	389,200	389,200
Cash (incl. dep. with trustee).....	309,973	392,366	1,550,720
Coal and lumber agents.....	491,970	428,290	294,293
Companies and individuals.....	79,953	44,101	59,059
San Francisco office.....	—	215,189	186,923
Materials and supplies.....	398,075	317,234	177,886
Miscellaneous accounts.....	9,291	5,842	22,177
Depreciation and renewal fund.....	—	—	264,720
Total assets.....	19,821,679	19,785,241	19,421,025
Liabilities—			
Stock (see "Ry. and Ind." Section).....	12,525,000	12,525,000	12,525,000
First mortgage bonds.....	4,446,000	4,446,000	4,446,000
Accounts payable.....	125,009	9,952	37,898
Unpaid vouchers.....	108,398	148,818	137,411
Unpaid pay-rolls.....	137,312	152,970	109,828
Interest on bonds.....	18,525	18,525	18,525
Taxes accrued.....	19,675	17,723	18,443
SS. imp'v'ts & "exhaustion fund".....	151,354	136,563	264,720
Miscellaneous.....	20,761	19,623	16,410
Surplus fund of proprietary companies depos'd with Pac. Coast Co.....	107,589	599,388	482,638
Profit and loss.....	2,161,965	1,710,677	1,364,153
Total liabilities.....	19,821,679	19,785,241	19,421,025

—V. 81, p. 1178.

GENERAL INVESTMENT NEWS.

RAILROADS, INCLUDING STREET ROADS.

Alabama Great Southern RR.—Report.—The results for the year ending June 30 were:

Year.	Gross.	Net.	Oh. inc.	Charges.	Dividends.	Bal. sur.
1904-05	\$3,308,300	\$601,325	\$51,226	\$327,567	(6)\$185,437	\$139,547
1903-04	3,099,445	624,925	19,977	324,200	(6)\$185,437	135,175

—V. 80, p. 2398.

Boston & New York Air Line RR.—Bond Issue.—This company, whose property is operated under 99-year lease by the New York New Haven & Hartford RR. at an annual rental equal to interest on bonds and 4% on preferred stock, has called a meeting of its shareholders for Nov. 13 to authorize an issue of \$5,000,000 mortgage bonds to provide for improvements, etc., including the double-tracking of the line from New Haven to Willimantic, 52 miles. The issue of \$500,000 first mortgage 6s of 1880 matured on Aug 1 1905 and was taken up by the N. Y. N. H. & H. RR. Co.—(V. 81, p. 1039.)

Carolina Northern RR.—Sold.—At the foreclosure sale at Raleigh, N. C., on Oct. 17 the property was bid in by the first mortgage bondholders' committee for a sum stated as \$268,000.—V. 81, p. 725.

Carson & Colorado RR.—Successor Company.—See Nevada & California Ry. below.—V. 71, p. 1310.

Central RR. of New Jersey.—New Equipment.—This company has ordered, and presumably will make the basis of new equipment trusts, 1,000 box cars, 1,000 coal cars and 1,000 gondola cars from the American Car & Foundry Co. and 1,000 steel hopper gondola cars of 100,000 lbs. capacity from the Cambria Steel Co. The cars, however, will not be delivered until next year, and the method of financing the purchase has therefore not been determined.—V. 81, p. 971, 506.

Chesapeake & Ohio Ry.—Application to List.—The New York Stock Exchange has been requested to list \$1,000,000 additional general mortgage 4½% bonds, making the total listed \$40,574,000.—V. 81, p. 974, 908.

Chicago Milwaukee & St. Paul Ry.—See Pacific RR. below.—V. 81, p. 974, 849.

Chicago & North Western Ry.—Maturing Bonds.—The \$1,528,000 Chicago & Tomah RR. first mortgage 6s and the \$601,000 Chicago Milwaukee & North West. Ry. (Chicago & Tomah Division) construction bonds 6s maturing Nov. 1 1905, will be paid on and after that date at the office of the Treasurer of the Chicago & Northwestern Ry. Co., 52 Wall St., New York.—V. 81, p. 1174, 1047.

Chicago Terminal & Transfer RR.—New Director.—At the annual meeting on Oct. 11, A. H. Gillard of New York was elected director to succeed Henry R. Ickelheimer.

Control.—The Hill-Morgan interests are commonly reported to have acquired a large block of the stock and a majority of the bonds, with a view to the use of the terminals by the Chicago Burlington & Quincy as well as other tenants.—V. 81, p. 897, 777.

Chicago Union Traction Co.—Case Set for Jan. 2.—At Washington, on Oct. 16, the appeals of the trolley companies and the City of Chicago from the decisions of the Federal Court for the Northern District of Illinois, touching the scope of the 99-year franchise Act (V. 80, p. 1058; V. 78, p. 2333), and the proceedings to compel the lowering of the Van Buren Street tunnel, were advanced by the Supreme Court and assigned for argument on Jan. 2.

City Council's Vote Adverse to Municipal Ownership.—On Oct. 16 the Chicago City Council in a test vote, which Mayor Dunne said he regarded as showing the majority was against any municipal ownership plan, rejected—37 to 27—the following order sent by the Mayor, accompanying a message: "It is hereby ordered by the City Council that the local transportation committee of said Council cease all negotiations contemplating the granting of a franchise to any of the present existing street railway companies and all negotiations with said companies excepting those looking to the purchase of the properties of said companies." The City Council also passed a resolution against passing any franchise ordinance which had not first been submitted to the people and approved by them.

The 20-year franchise ordinances of the Chicago City Ry. and the Chicago Union Traction Co. were presented to the City Council on Oct. 4 and Oct. 12, respectively, following generally the tentative offer in V. 81, p. 1043, 558.

Chippewa Valley Electric RR.—Change in Control.—A local syndicate has purchased the Appleyard interests in this company and elected as officers: President, O. H. Ingram; Vice-President, John S. Owen; Treasurer, E. A. Buffington; Secretary and Manager, George B. Wheeler.—V. 78, p. 819.

Cincinnati New Orleans & Texas Pacific Ry.—Report.—The results for the year ending June 30 were:

Fiscal Year.	Gross earnings.	Net earnings.	Other inc.	Deduct. on pref.	5% Balance, on com.
1904-05	\$7,358,618	\$1,717,770	\$34,468	\$1,369,788	\$100,000
1903-04	6,768,744	1,597,421	33,251	1,256,348	100,000

From the balance, as above, in 1904-05 was paid a dividend of 3% on common stock on June 15 1905, amounting to \$90,000, leaving surplus for year of \$192,450. All other dividends paid on common stock have been out of accumulated surplus. Deductions as above include \$145,990 for permanent and additional improvements and new and additional tracks, etc., in 1904-05, against \$80,225 in 1903-04.—V. 80, p. 2620.

Colorado & Southern Ry.—See Wichita Valley RR. below.—V. 81, p. 1169, 1099.

Cripple Creek Central Ry.—First Dividend on Common Stock.—This company, successor of the Denver & Southwestern Ry. (foreclosed in October 1904), has declared, along with a quarterly dividend of 1% on its \$3,000,000 preferred stock, a first dividend of 3%, for the year ending Sept. 30 1905, on the \$2,500,000 common stock. Both dividends are payable Oct. 25 to holders of record Oct. 18. The bondholders of the old Denver & Southwestern Ry. received in the reorganization 40% in the new preferred stock and 50% in the new common.—V. 81, p. 210.

Darien & Western RR.—Extension.—This road, which extends from Darien to Ludowici, Ga., 40 miles, is being extended on the west 20 miles to connect with the Reidsville & Southeastern at Glenville. The latter road runs northwesterly from Glenville 23 miles to Collins, a point on the Savannah & Montgomery division of the Seaboard Air Line. The project is being financed by Mackay & Co., of New York. It is proposed later to consolidate the property into one company, probably under the name of the Darien & Western, and to further extend the road.

Dayton Lebanon & Cincinnati (Electric) RR.—*Foreclosure Suit.*—A suit has been filed in the Common Pleas Court at Lebanon, O., against this company by the New York Trust Co. for the foreclosure of mortgage for failure to pay interest on the \$2,000,000 bonds.—V. 80, p. 1478.

Detroit & Mackinac Ry.—*Report.*—The results for the year ending June 30 were:

Year.	Gross.	Net.	Charges.	5% on Pr.	Bal., Sur.
1904-5	\$990,555	\$355,784	\$167,494	\$47,500	\$140,790
1903-4	981,315	378,158	164,178	47,500	166,480

—V. 79, p. 2145.

Evansville & Terre Haute RR.—*Transfer of Control.*—The report of the Chicago & Eastern Illinois RR. on another page of to-day's "Chronicle" states that the company has taken over \$2,678,100 of the common stock (\$3,987,383) of the Evansville & Terre Haute RR., being a majority of the company's entire share capital.

Report.—See page 1240 of to-day's "Chronicle."—V. 79, p. 2082.

Florida Railway.—*Consolidation.*—This company was formed on Sept. 1 by consolidation of the Suwanee & San Pedro RR. and Live Oak & Gulf Ry. (V. 75, p. 793.) The road is in operation from Perry to Live Oak, 52 miles, with branches to Alton and Lauraville, aggregating 7 miles. An extension from Live Oak to Fernandina is proposed. Frank Drew is President, Live Oak, Fla. The affairs of the new company are now being arranged. At present the company has a collateral loan of \$195,000 with the Southern Investment Co. of Richmond. It is proposed to extend the road from Live Oak to Fernandina, 85 miles, and from Perry west—total about 225 miles main line.

Galveston Harrisburg & San Antonio Ry.—*Consolidation Completed.*—The consolidation with this company of the following allied lines of the Southern Pacific system was recently completed, the deeds of transfer being filed for record, viz.—New York Texas & Mexican, Gulf Western Texas & Pacific, Galveston Houston & Northern, San Antonio & Gulf and Gonzales Branch.—V. 81, p. 668, 211.

Georgia Southern & Florida Ry.—*Report.*—The earnings for the year ending June 30 1905 compare as follows:

Fiscal Year.	Gross Earn.	Net Earn.	Other Inc.	Int. on Bds., Etc.	Div.	Balance
1904-5	\$1,714,703	\$402,317	\$17,593	\$284,233	\$77,560	\$58,117
1903-4	1,693,541	415,077	16,338	287,529	77,560	66,325

The dividends as above include 5% on first preferred and 4% on second preferred in each year.—V. 81, p. 155.

Hudson Street RR., Jersey City.—*Ally of Hudson (Tunnel) Companies.*—This company was incorporated in New Jersey on Monday with \$3,000,000 of authorized capital stock for the purpose of constructing street railways in Hudson County, N. J., as feeders for the tunnels of the Hudson Companies. The directors and officers:

Directors.—Pitney Fisk, William M. Barnum and Wilbur C. Fisk; Walter G. Oakman, President of the Hudson Companies; William G. McAdoo, President of the Hudson & Manhattan RR. Co.; Andrew Freedman, Director of the Interborough Rapid Transit Co., and David Young of Newark, a former official of the North Jersey RR. Co.

Officers.—President, William G. McAdoo; Vice-President, Andrew Freedman; Secretary, K. B. Conger; Treasurer, William C. Kinney.

Lehigh Valley RR.—*Sale of Bonds.*—The company has sold to Drexel & Co. \$7,000,000 of the new collateral trust 4% bonds, to be secured by pledge of the stocks of Coxie Brothers & Co., incorporated, and the Delaware Susquehanna & Schuylkill RR. The authorized issue of these bonds, is understood, to be \$19,000,000, and Coxie Bros. & Co., it is stated, have agreed to take not less than 70% of the purchase price of their properties in the new issue.

The "Philadelphia Ledger" adds:

It is said that the Coxie properties have been purchased for a fraction less than \$15,000,000, and the remainder of the bond issue may be used in buying up several small hard coal properties that will greatly increase the Lehigh Valley's tonnage.

According to the elaborate tabulation made by the "Bond Record" in 1896 the Delaware Susquehanna & Schuylkill RR. Co. (including presumably all the coal areas of Coxie Bros.) then owned 6,822 acres of coal lands in the Lehigh region, containing unmined over 67,000,000 tons of coal, and controlled by contract 486 acres containing an unmined tonnage of 2,500,000 tons, the total tonnage shipped for 1895 having been 1,905,784 tons.—V. 81, p. 1175, 1100.

Live Oak & Gulf Ry.—*Consolidation.*—See Florida Ry. above.—V. 75, p. 793.

Massachusetts Electric Companies.—*Dividends from Sub-Companies.*—This company's subsidiaries, it is announced, will pay dividends as follows: Boston & Northern Street Ry., 2%, contrasting with 2½% in 1904; Old Colony Street Ry., 2%, against 3% last year. The money representing these dividends will all, or practically all, be paid into the treasury of the Massachusetts Electric Companies.—V. 81, p. 976, 841.

Mexican Central Railway.—*Application to List.*—The New York Stock Exchange has been asked to list \$5,784,000 additional capital stock, making the total listed \$53,265,100.—V. 81, p. 1044, 1040.

Nevada & California Ry.—*Successor Company—Extension.*—This company, incorporated by the Southern Pacific interests last April with \$15,000,000 of authorized capital stock, has taken over the 300 miles of road owned and operated by the Carson & Colorado Ry., and is constructing an extension from Fort Churchill to Hazen, Nev., about 28

miles. Through standard-gauge sleeping cars are now run from San Francisco to Tonopah and Goldfield over this company's line and the connecting Tonopah RR. The Southern Pacific Co. owns all the outstanding stock (\$4,380,000) and also the \$2,000,000 4% bonds of the Carson & Colorado which remain outstanding. No new bonds have been authorized.

New York New Haven & Hartford RR.—*New Bonds for Leased Line.*—See Boston & New York Air Line RR. above.

Sale of Bonds.—The \$750,000 Providence & Springfield RR. first mortgage 5s due July 1 1922, which for some years past have been held in the treasury of the New York New Haven & Hartford, being included in the balance sheet under the heading "Stock and bonds owned," have been sold to Mackay & Co. The road was leased in 1896 for 93 years to the New England RR. at 4% on the \$517,450 stock, interest on bonds and other charges. This lease was assumed by the New York New Haven & Hartford, which owns \$438,350 of the P. & S. stock and is preparing to absorb the New England RR. The directors were also recently reported as voting to consolidate the Providence & Springfield, but we have been unable to get this report confirmed.

Improvements in New Haven.—At a recent meeting of the Board of Aldermen of New Haven, Conn., the new proposition of the company to widen its cut through the city was agreed to. The cut mentioned is 8,000 ft. long, and over it there will be 12 steel bridges to replace existing wooden structures. The cost of the work, it is said, will be about \$5,000,000.—V. 81, p. 1044, 1039.

Northern Pacific Ry.—*New Director.*—Grant B. Schley has been elected a director to succeed Robert Bacon, now Assistant Secretary of State.

Report.—See page 1237 of to-day's issue.—V. 81, p. 1101, 614.

Ohio Connecting Ry.—*Sale of Bonds.*—Newburger Bros. & Henderson and Sailer & Stevenson, both of Philadelphia, have jointly purchased the unsold portion of the \$2,000,000 first mortgage 40-year 4% gold bonds, guaranteed principal and interest by the Pennsylvania Company.—V. 81, p. 1044, 669.

Pacific Gas & Electric Co., San Francisco.—*Bond Issue.*—This company, incorporated in California last week with \$30,000,000 of authorized capital stock (\$10,000,000 6% cumulative preferred), per plan of N. W. Halsey & Co., has called a meeting of its shareholders for Dec. 19 to authorize the issue of \$10,350,000 5% 30-year general mortgage and collateral trust gold bonds, to be secured by a first lien upon all shares acquired in the San Francisco Gas & Electric Co. and of the California Gas & Electric Corporation. The entire issue is to be devoted only to the acquisition of the stock of the San Francisco Gas & Electric Co. See V. 81, p. 1175.

Pacific RR.—*Incorporated.*—This company, with \$3,000,000 of authorized capital stock, filed articles of incorporation in the State of Washington on Oct. 13. The road is projected to run from Seattle to Wallula, Wash., and it has taken over the tidewater lands recently acquired in the name of James T. Woodward, President of the Hanover National Bank of New York. It is rumored that the new line will be the western end of the Chicago Milwaukee & St. Paul. H. R. Williams, formerly General Manager of the last-named company, is reported to be President.

Southern Pacific Co.—*Extension of Subsidiary Line.*—See Nevada & California Ry. above.—V. 81, p. 900, 778.

Springfield South Charleston Washington Courthouse & Chillicothe Traction Co.—*Sale.*—At Springfield, O., on Oct. 16 Judge A. H. Kunkle ordered the receiver to sell the property.—V. 80, p. 1112.

Tennessee Ry.—*Mortgage.*—This company, which owns a road extending from Oneida, Tenn., to Buffalo, 16 miles, and has under contract an extension of 21 miles, the entire line to be 75 miles in length, has made a mortgage to the Standard Trust Co., as trustee, to secure an issue of \$2,500,000 of 5% bonds of \$1,000 each. These bonds are dated July 1 1905 and are due July 1 1935, with interest payable Jan. 1 and July 1 in New York. Amount outstanding \$250,000. The President is Bird M. Robinson and the Secretary and Treasurer, M. T. De Vault, 1403 Hanover Bank Building, N. Y.

Toledo St. Louis & Western RR.—*New Officer.*—James Steuart Mac Kie has been elected Secretary and Treasurer, vice Charles E. Spencer, resigned.—V. 81, p. 32.

United Railways of St. Louis.—*Extension of Syndicate.*—Brown Bros. & Co. of New York announce the extension for one year of the syndicate formed by them in connection with the Transit Company and United Railways merger in October 1904. The syndicate, according to the "St. Louis Globe Democrat," has paid back to holders of participation certificates 113%, the balance due being between 4 and 5%. V. 81, p. 213.

Wabash RR.—*Mr. Jeffery Made Chairman.*—George J. Gould has resigned as Chairman and has been succeeded by E. T. Jeffery.

Vote.—We have confirmed the statement that at the election last week Joseph Ramsey Jr. voted on \$3,804,200 stock and \$3,184,000 debenture bonds, while Mr. Gould voted on \$46,146,700 stock and \$22,851,000 debenture bonds.—V. 81, p. 1176, 900.

Western Maryland RR.—New Directors.—At the annual meeting on Oct. 18 directors were elected and retired as follows:

New.—Frederick A. Delano, Howard Gould, New York; Gardiner M. Lane of Boston, E. L. Fuller of Scranton, Penn., and W. A. Wilbur of South Bethlehem, Penn.

Re-elected.—George J. Gould, Winslow S. Pierce, F. S. Landstreet, Edwin Gould, John W. Gates, James H. Hyde, Lawrence Greer and S. Davies Warfield.

Retired.—Joseph Ramsey Jr., W. H. McIntyre, A. H. Calef, H. C. Deming, H. B. Henson.

Alexander Robertson, heretofore General Manager of the Terminal Railroad Association of St. Louis, has been appointed General Manager of the Western Maryland.

Consolidation.—The shareholders at a special meeting on Oct. 19 voted to consolidate with the company the several controlled lines mentioned in the report on p. 1240 of the present issue.

Report of Syndicate Managers on Conditions and Prospects.—See V. 81, p. 976, 900.

Wichita Valley RR.—Successor Company.—This corporation was organized under the laws of Texas on Oct. 13, the incorporators including B. F. Yoakum and Edwin Hawley of New York and Frank Trumbull of Denver, President of the Colorado Southern, to acquire the Wichita Valley Ry., which runs from Byers to Seymour, Tex., a distance of 75 miles. The road connects with the Fort Worth & Denver division of the Colorado & Southern, which, it is expected, will presently take over the control.—V. 78, p. 1277.

Wichita Valley Ry.—Sale.—See Wichita Valley RR.—V. 78, p. 1277.

Wisconsin Central Ry.—New Officers.—W. A. Bradford Jr has been elected a director in place of Ed. W. Sheldon, resigned. Geo. M. Cumming, recently elected a director, becomes a member of the executive committee, and General Counsel Howard Morris has been made Vice-President.

Report.—See page 1237 of this issue.—V. 81, p. 1176, 842.

Worcester Railways & Investment Co.—Change in Dividend Period.—The trustees have changed the dividend dates from February and August to May and November, and to adjust the dividend for the period from Aug. 1 1905 to Nov. 1 1905 have declared a dividend of \$1 per share, payable Nov. 1 1905, to shareholders of record Oct. 23.—V. 80, p. 224.

Yosemite Valley RR.—New Directors.—At San Francisco on Oct. 10 the following new directors were elected: William H. Crocker, Henry T. Scott, N. D. Rideout and Dr. Harry L. Tevis. The old directors who remain in office are: Thomas Prather and W. W. Garthwaite of Oakland and Frank G. Drum, President. Construction, it is announced, has begun on the extension of 70 miles into the Yosemite Valley and will be finished within the next year.—See V. 81, p. 509.

INDUSTRIAL, GAS AND MISCELLANEOUS.

American Locomotive Co.—New Directors.—C. A. Coffin, President of the General Electric Co., and E. C. Converse, a director of the United States Steel Corporation and President of the Liberty National Bank, have been elected directors of the American Locomotive Co., to succeed W. Seward Webb and George W. Hoadley.—V. 81, p. 893, 840.

American Maltng Co.—Plan Operative.—The plan for reduction and readjustment of the capital of the company, dated July 6, has been declared operative by the committee. Application will be made to the Stock Exchange to list the certificates of deposit of the Standard Trust Co.

Called Bonds.—Ninety-six (\$96,000) first mortgage 6 p. c. bonds of 1899, drawn for redemption, will be paid at the Guaranty Trust Co., New York, on Dec. 1 at 105 and interest.—V. 81, p. 1176, 842.

American Telephone & Telegraph Co.—Output.—The output of instruments (each telephone being two "instruments," viz., one receiver and one transmitter) for the month and nine months ending Sept. 30 was:

	Month		9 Months	
To Sept. 30—	1905.	1904.	1905.	1904.
Gross output (number).....	160,613	106,305	1,301,058	876,609
Net output (number).....	109,119	67,952	843,653	501,684
Total outstanding.....			5,324,217	4,281,201

—V. 81, p. 779, 670.

American Type Founders Co.—Report.—The results for the year ending Aug. 31 were:

Fiscal Year.	Gross Earn'gs.	Interest Charges.	Net Earnings.	7% on Preferred.	4% on Common.	Balance, Surplus.
1904-05.	\$434,470	\$104,956	\$329,514	\$127,708	\$160,000	\$41,806
1903-04.	439,223	92,274	346,949	111,435	160,000	75,514

Bush Terminal Co.—Bond Sale.—The company has sold to F. J. Lisman & Co. \$1,500,000 of its first consol. mortgage bonds. The proceeds will be used, as provided under the terms of the mortgage, for a new pier, warehouses, etc., etc., to be constructed during the next twelve months. This will make outstanding within the time named \$4,250,000 of the authorized issue of \$10,000,000; of the remainder, \$4,459,000 is reserved for underlying liens.—V. 80, p. 1177.

Cancellation of Redemption Clause.—The privilege of redeeming the first consol. bonds after ten years is to be revoked. A meeting of the stockholders will shortly be called to take the necessary action to this effect, so that the bonds shall run to maturity, 1955.—V. 80, p. 1177.

***Central Leather Co.—Officers.**—The following directors and officers were announced on Wednesday:

Edward C. Hoyt, A. Augustus Healy, Walter G. Garritt, P. A. Valentine, Nathan Allen, Eugene Horton, Samuel P. Davidge, J. Orden Armour, John J. Lapham, Paul M. Warburg, Lewis H. Lapham, Frank Healy, L. C. Krauthoff, George W. Childs, Charles Wallen, Henry P. Darlington, C. Sumner Horton.

President, Edward C. Hoyt; First Vice-President, A. Augustus Healy; Second Vice-President, Walter G. Garritt; Third Vice-President, John J. Lapham; Treasurer, James R. Plum; Secretary, H. W. Hill.—V. 81, p. 1176, 779.

Dominion Iron & Steel Co., Sidney, Cape Breton.—Report.—The fiscal year having been changed to end May 31, the report shows: Profits on sales, \$366,062 (against \$124,755 for calendar year 1904); rents, etc., \$4,796; total income, \$370,859. Deductions: Interest on bonds, \$194,862; interest on loans, \$81,048; sinking fund, \$23,417; balance, surplus, \$71,532. The rail mill began operations on June 14 and, it is said, will shortly be able to produce from 800 to 1,000 tons every 24 hours.

New Officer.—L. J. Forget, of Montreal, has been elected First Vice-President, vice Frederick Nicholls, resigned.—V. 81, p. 33.

Colorado Fuel & Iron Co.—New Directors.—At the annual meeting on Oct. 16 the representatives of John D. Rockefeller on the Board of Directors were succeeded for business reasons by friends of George J. Gould, the changes, etc., being as follows:

New Directors.—Edwin Gould, E. T. Jeffery, Winslow S. Pierce and Alvin W. Kiech.

Retired.—J. D. Rockefeller Jr., E. Parmelee Prentice, F. T. Gates and Stuart J. Murphy.

Re-elected.—F. J. Hearne, D. C. Beaman, George J. Gould, Benjamin Nicoll, J. H. McClement, J. H. Hyde, E. W. Oglebay, Edwin Hawley and E. H. Harriman. Executive Committee—George J. Gould, Chairman (succeeding F. T. Gates); Winslow S. Pierce, E. T. Jeffery, Benjamin Nicoll and F. J. Hearne.

Report.—The press dispatches give the following data from the report for the fiscal year ending June 30 1905:

Gross earnings, \$18,615,017, an increase of \$6,763,687 as compared with the preceding year; net earnings, \$1,474,193, increase \$1,306,378; total net earnings from all sources, \$1,922,047; after the payment of all fixed charges and sinking funds there is a deficit of \$341,922, carried to the debit of profit and loss.

President Hearne attributes the deficit to the coal strike, which lasted from Nov. 1903 to Oct. 1 1904. The outlook is considered bright.—V. 80, p. 2460, 1726.

Crucible Steel Co. of America.—Bond Authorization Rescinded.—In view of the statement made in the annual report (V. 81, p. 1172) regarding the improved financial condition of the property, the shareholders at the annual meeting on Wednesday passed unanimously the resolution of the management rescinding the authorization of the \$7,000,000 bond issue approved a year ago.

Dividend.—The belief is expressed in official circles that the improvement in the condition of the company's finances will lead to the resumption of dividends on the preferred stock (\$24,436,500, 7% cumulative) within a few months. The last distribution of preferred shareholders was made Oct. 1 1903, 7% per annum having been paid regularly, since October 1899 until that date.—V. 81, p. 1172, 214.

Gottlieb-Bauernschmidt-Straus Brewing Co., Baltimore.—Interest on Income Bonds.—Notice is given that 1½% interest has been declared on the second mortgage income bonds, payable on and after Nov. 1 1905 on presentation of coupon No. 5 at the office of Mercantile Trust & Deposit Co., Baltimore. The same amount was paid last May and in November 1904.—V. 80, p. 1974, 1426.

Manufacturers' Fuel Co.—Liquidation.—A press dispatch from Chicago states that this company, formerly the Weaver Coal & Coke Co. of Illinois, having sold its property, will go into liquidation. The company's coal lands, coke ovens and equipment were recently purchased by the Western Maryland RR.; compare statement for that company under "Annual Reports."—V. 80, p. 1426.

Mergenthaler Linotype Co.—Earnings.—The net profits for the year ended Oct. 1 1905 were \$2,204,520, contrasting with \$2,383,296 the previous year. Dividends at the rate of 15% per annum (the quarterly rate being 2½%, and an extra 5% having been paid last December) call for \$1,500,000.—V. 80, p. 1733.

Pacific Coast Co.—Sale of Bonds.—The company has sold to Blodgett, Merritt & Co., Boston, the remainder (\$554,000) of the issue of \$5,000,000 first mortgage 50-year 5s. The proceeds will be used for the construction of a new ship to cost about \$850,000. (See p. 1241).

Report.—See 1241 of this issue.—V. 81, p. 1178.

Pennsylvania Malleable Steel Co.—Change in Control.—See Pressed Steel Car Co. below.—V. 70, p. 692.

Pressed Steel Car Co.—Acquisition.—This company, it is announced, has obtained a controlling interest in the Pennsylvania Malleable Steel Co. (V. 70, p. 692) and the Central Malleable Co. W. H. Schoen was President of both concerns. The share capital of the two companies, it is stated, aggregates \$900,000, the control costing the Pressed Steel Car Co. \$1,000,000 or more.—V. 81, p. 672.

Procter & Gamble Co.—New Plant—New Stock.—The company has purchased 68 acres of land on Staten Island, New York City, and will erect thereon a large plant, which, with the land, will represent, it is said, a total outlay of about \$3,000,000. The "Cincinnati Enquirer" of Oct. 10 states that in order to provide funds to pay for this purpose

the company will on Jan. 1 1906 issue \$3,000,000 of common stock at 50 (par \$100) to holders of common stock at the ratio of one new share for every two shares of common held; the remainder of the money needed to be supplied from the surplus in the treasury.—V. 80, p. 2463.

Pullman Company.—Report.—The results for the years ended July 31 1905, 1904, 1903 and 1902 compare as follows:

Fiscal year.	Total revenue.	Net income.	Dividends paid, 8%.	Balance, surplus.	Total surplus.
1904-05	\$26,922,022	\$10,054,554	\$5,919,982	\$4,134,572	\$22,151,946
1903-04	24,788,729	9,661,601	5,919,976	3,741,625	18,017,374
1902-03	23,120,713	9,417,687	5,919,968	3,497,719	14,275,749
1901-02	20,597,903	8,935,674	5,919,923	3,015,751	10,778,030

The total number of passengers carried in 1904-05 shows an increase of about 12% over the previous year.—V. 80, p. 1916.

Republic Iron & Steel Co.—New Officers.—At the annual meeting on Wednesday E. J. Berwind and S. G. Cooper were elected directors, succeeding C. H. Wacker and John Crerar. W. B. Oglesby was recently elected a director to succeed P. L. Kimberly, deceased. On Thursday S. G. Cooper of Pittsburgh was elected President and Charles S. Guthrie Chairman of the board, succeeding A. W. Thompson and Col. G. Watson French, respectively. The executive committee now consists of S. G. Cooper, Charles S. Guthrie, Grant B. Schley, L. C. Hanna and John W. Gates.

Accumulated Dividends.—The question of providing for the dividends that have accumulated on the 7% preferred stock since Oct. 1 1903, the date of the last distribution, has been placed in the hands of the executive committee, with instructions to report to the board. An official announcement on the matter is expected within a few days.—V. 81, p. 781, 269.

Standard Milling Co.—Report.—The results for the fiscal year ending Aug. 31 were:

Fiscal Year.	Net Profits.	Bond Interest.	Div. on Pref. Stock.	Insur'ce Fund.	Balance Surplus.
1904-05	\$391,746	\$180,209	(2%)\$137,757	\$73,780	\$ 73,780
1903-04	1,084,213	169,839	(1%)68,867	\$25,000	820,507

—V. 79, p. 1954.

Union (S. C.) Cotton Mills.—Reorganization.—E. W. Robertson, President of the National Loan & Exchange Bank of Columbia, S. C., has been elected President and Treasurer, and the question of adjusting the indebtedness has been referred to a committee consisting of Mr. Robertson, H. C. Fleitman, New York; William Winchester, Baltimore, and John A. Law, Spartanburg. The indebtedness of the Union Mills is said to be about \$2,700,000 and that of the allied Buffalo Cotton Mills \$1,800,000.

United Box Board & Paper Co.—Trade Agreement.—The following announcement is said to have emanated from the New York office: "Ninety-five per cent of the boxboard manufacturers of the country have organized for the purpose of maintaining prices. This agreement has been followed by an advance of about \$5 per ton." The agreement, it is reported, includes sixty-eight manufacturing companies, with a daily capacity of 2,000 tons, leaving less than a half-dozen plants operating outside of the organization.

Plan.—The plan of recapitalization remains in statu quo. As now contemplated, it calls for the making of a general mortgage of \$2,750,000 and a trust debenture bond of \$1,750,000, the latter to re-acquire the controlling interest in the American Strawboard Co.—V. 80, p. 1975.

Weaver Coal & Coke, Illinois.—Sale.—See report of Western Maryland R.R. on page 1240, Manufacturers' Fuel Co. above, and Weaver Coal & Coke Co. of Maine below.—V. 77, p. 1546.

Weaver Coal & Coke Co., Maine.—New Company.—The "Manufacturers' Record" says:

"The Weaver Coal & Coke Co. has been chartered under the laws of Maine, with a capital stock of \$1,000,000, for the purpose of developing a large coal and coke industry near Crossville, Tenn. This company will erect a coke plant at a cost of about \$100,000 and construct a line of railroad seven miles long from the mines to Crossville, on the Tennessee Central R.R. Henry E. Weaver of Chicago is President; J. C. Van Biorcom of St. Louis, Mo., Vice-President, and William Ramsey of Chicago, General Manager. Chicago offices in the Marquette Building.

Compare Manufacturers' Fuel Co., above.—V. 81, p. 851.

White Portland Cement Co.—Assignment.—A press dispatch from Ann Arbor, Mich., on Oct. 9 states that this company has made an assignment to H. Claude Guerin of Chelsea. "Indebtedness \$262,631; assets, \$64,612."

The Whitney Company (Hydraulic Electric Power), North Carolina.—Bonds Offered.—T. W. Stephens & Co., 2 Wall St., New York, announce by advertisement on another page that they and also the following banks and bankers:

First National Bank, Pittsburgh, Pa., Fort Pitt Nat. Bank, Pittsburgh, Pa., German National Bank, Pittsburgh, Pa., Middendorf, Williams & Co., Baltimore, Md., John L. Williams & Sons, Richmond, Va., First National Bank, Washington, Pa., Davis & Wiley Bank, Salisbury, N. C.

are authorized on behalf of The Whitney Company to offer for subscription, at par and interest, ex-November coupon, the unsold portion, \$3,000,000, of the present issue of \$4,500,000 first mortgage and collateral trust 6% gold bonds. The total authorized issue is \$5,000,000, of which \$500,000 is reserved for future improvements. Bonds dated Nov. 1 1904 and due Nov. 1 1964, but redeemable at 110 and interest on any coupon day on and after Nov. 1 1914; denomination \$1,000, coupons payable May and November, at Bankers' Trust Co., New York, trustee.

President George I. Whitney (of Whitney & Stephenson, bankers, Pittsburgh,) wrote on Oct. 4 1905:

The company is a North Carolina corporation (capital stock \$10,000,000) formed for the purpose of building a hydraulic electric power plant at "The Narrows" on the Yadkin River in the central part of North Carolina and to supply electric power to the numerous cotton mills and other consumers of power in the vicinity, and for the further development of valuable granite quarries and low-grade gold ore located on the property. The mortgage is a first lien on (1) lands in Rowan, Cabarrus, Stanly, and Montgomery counties, covering 7,553.66 acres; (2) all dams, machinery, transmission lines, etc.; (3) Whitney R.R., 10 miles in length, connecting Whitney, where the dam is being built, with the Southern Railway at New London. The mortgage further covers the entire capital stock of the following subsidiary companies, none of which has any bonded or floating debt, viz.: Yadkin River Electric Power Co. stock, \$5,000,000; Yadkin Land Co. stock, \$1,000,000; Yadkin Mines Consolidated Co. stock, \$1,000,000; Barringer Gold Mining Co. stock, \$1,000,000; Rowan Granite Co. stock \$1,000,000; Yadkin & Virginia Copper & Land Co. stock \$750,000, all deposited with the trustees. The subsidiary companies own about 5,772 acres of land making a total landed estate of about 13,326 acres. All plans and estimates for the power plant were prepared by Chief Engineer J. J. Kennedy, 52 Broadway, New York.

The canal, 4½ miles in length, has a capacity of over 3,300 cubic feet of water per second, and a storage above the dam sufficient with the available head of 120 feet, to develop 50,000 horse power per working day—the electrical equipment will supply 40,000 horse power. The dam will be of massive granite masonry 38 feet high; width at top 12 feet and at bottom 58 feet; and length 1,000 feet. All the property on either side of the river subject to overflow has been purchased, also both sides of the river for a distance of 5 miles below the power house, leaving within that distance a fall of 120 feet, sufficient to enable the company to develop 50,000 horse power additional. The cost of construction of the dam and canal, building of power house, installation of machinery and transmission lines, will be at the rate of \$60 per water horse power. Total value of the properties embraced within the mortgage is estimated at \$9,000,000.

Within a radius of 50 miles from the power station there are 44 towns having a population of over 100,000. There are cotton mills now running in this district as follows: Within 50 miles, 75 factories, approximate horse power 27,500; within 80 miles, 257 factories, approximate horse power 73,000. Nearly all the mills now use steam power. The largest cotton mill (60,000 spindles and 2,000 looms) ever built in the South has just been finished at Greensboro, within the radius of our company's operations. So far no contracts have been signed but we could now contract for the entire development, viz.: 40,000 electrical horse power at remunerative rates. The operation elsewhere of factories, particularly textile mills, by means of electric motors, proves conclusively that the use of electric power will effect a large saving, and that there is a demand for it.

With a conservative estimates obtainable, it is my belief that the company will earn \$630,000 per annum, gross, from the sale of electric power alone; deducting from this sum the annual operating expenses \$97,000, and \$270,000 for interest upon the bonds, there remains a surplus of \$263,000 per annum. In addition, further profits will accrue from the sale of lands, granite and mining operations. The cost of developing horse power by steam with coal at \$3.60 per ton is from \$35 to \$50 per horse power per year, and if the company realizes but 60% of the cost of steam power, our income will considerably exceed the earnings mentioned herein. (The company expects to sell power at about \$20 to \$25 per horse power per annum.) Provision has been made for the payment of interest during the period of construction. The directors are: George I. Whitney, President, Pittsburgh, Pa.; E. B. G. Hambley, Vice-President, Salisbury, N. C.; H. L. W. Hyde, Secretary, Pittsburgh, Pa.; Francis L. Stephenson, Treasurer, Pittsburgh, Pa.; J. B. Finley, Pittsburgh, Pa.; A. W. Herron, Pittsburgh, Pa.; C. S. Ritchie, Washington, Pa.; J. B. McClelland, M.D., Pittsburgh, Pa.; Edward Popper, New York.

The work of construction is now more than 25% completed, and is being rapidly pushed.

—Announcement has been made by the Superior Jury of the awards in the Electrical Department of the Lewis & Clark Exposition. The gold medal is the highest award, with silver and bronze medals for less important subjects. The prize given for the best exhibit in the Electrical Department is a gold medal (highest award) and has been awarded to the General Electric Company of Schenectady, N. Y. The Curtis Steam Turbine, which received the Grand Prize at the St. Louis World's Fair, again received the highest award. Besides these the company, we are informed, receives 17 other highest awards on its electrical exhibits, electric mining locomotives; meters and instruments; electrical switchboards; railway motors and controllers, mercury are rectifiers and are and incandescent lamps are among the subjects for which gold medals are awarded.

—Mackay & Co., New York and Boston, have issued an elaborate chart, compiled by their statistician, Henry B. Gould, showing for 54 leading railroads not only their funded debt, capital stock, earnings, gross and net, fixed charges and annual surplus in each case as a whole and per mile of road, but also the changes in these items as compared with the fifth year previous; also the amounts expended for betterments out of income, the cash in the treasury and the percentage of gross earnings and other income applied, respectively, to (1) conducting transportation, general expenses and taxes, (2) maintenance, (3) fixed charges. The facts thus disclosed are highly interesting and very suggestive.

—The accounting firm of Wilkinson, Reckitt, Williams & Co. of New York, Chicago and Philadelphia have recently established a fully equipped department for the examination of banks, under the management of Mr. John F. Wilson. Mr. Wilson was formerly Assistant National Bank Examiner at Chicago. The present partnership of this well known firm includes Mr. George Wilkinson, C. P. A., and Mr. Ernest Reckitt, C. P. A.

—James W. Scully and Charles A. Painter, formerly of Henry Sproul & Co., have associated themselves with Daniel Beech, at present Cashier of the First National Bank of Birmingham, Pa., and will continue in the brokerage business in the present offices, both at Pittsburgh and New York, under the name of Scully, Painter & Beech.

—Messrs. Secor & Bell, the well-known banking and brokerage house of Toledo, Ohio, announce that Mr. Laurence B. Beckwith has been admitted to partnership in the firm.

Reports and Documents.

NORTHERN PACIFIC RAILWAY COMPANY.

NINTH ANNUAL REPORT—FOR THE FISCAL YEAR ENDING JUNE 30 1905.

Office of the Northern Pacific Ry. Co.,
St. Paul, Minnesota,
September 27 1905.

To the Stockholders of the Northern Pacific Ry. Company:

The following, being the Ninth Annual Report, shows the result of the operation of your property for the fiscal year ending June 30 1905:

INCOME ACCOUNT.

	1904.	1905.	Increase.
Earnings:			
Freight	\$32,908,921 50	\$36,861,131 77	\$3,862,210 27
Passenger	11,105,752 94	11,335,852 07	230,099 13
Mail, Express and Miscellaneous	2,419,899 86	2,525,901 88	106,002 02
Totals	\$46,524,574 30	\$50,722,885 72	\$4,198,311 42
Per mile (average)	\$8,841 35	\$9,543 44	\$702 09
Operating Expenses:			
Conducting Transportation	\$11,721,605 58	\$12,565,739 81	\$844,134 23
Maintenance of Equipment	4,112,370 73	5,053,586 34	941,215 61
Maintenance of Road and Structures	6,645,953 25	7,345,820 70	699,867 45
General Expenses	1,754,613 13	1,843,611 69	88,998 56
Totals	\$24,234,542 69	\$26,808,758 54	\$2,574,215 85
Per cent of Gross Earnings	52.1%	52.8%	
Per mile (average)	\$4,605 44	\$5,044 03	\$438 59
Net Earnings:	\$22,290,031 61	\$23,914,127 18	\$1,624,095 57
Per cent of Gross	47.9%	47.2%	
Per mile (average)	\$4,235 91	\$4,499 41	\$263 50
Less Taxes:	1,462,775 33	1,601,000 00	138,224 67
Per cent of Gross Earnings	3.1%	3.2%	
Per mile (average)	\$277 98	\$301 23	\$23 25
Leaving:	\$20,827,256 28	\$22,313,127 18	\$1,485,870 90
Add:			
Dividends and interest on securities owned and interest on deposits	1,483,354 38	1,921,567 03	438,212 65
	\$22,310,610 66	\$24,234,694 21	\$1,924,083 55
Deduct:			
Interest on bonds	6,922,930 15	6,947,983 33	25,053 18
Rental of leased lines	158,369 30	160,469 30	2,100 00
Dividends on stock	10,849,989 25	10,850,000 00	10 75
Totals	\$17,931,288 70	\$17,958,452 63	\$27,163 93
Surplus for year	\$4,379,321 96	\$6,276,241 58	\$1,896,919 62
Surplus from preceding year	9,725,655 75	11,104,977 71	1,379,321 96
Total surplus	\$14,104,977 71	\$17,381,219 29	\$3,276,241 58
Less amount appropriated from income for additions to and betterments of existing lines	3,000,000 00	3,000,000 00	-----
Net surplus, being balance to credit of Profit and Loss	\$11,104,977 71	\$14,381,219 29	\$3,276,241 58

MILEAGE OPERATED.

Changes have taken place in the mileage operated during the year as follows:

There were added:

Seattle Belt Line, construction finished	Miles.
Lake Washington Branch, hitherto not operated	21.60
Extension Bitter Root Branch, Charles to Darby, Montana, construction finished	.53
Corrections by re-chaining	7.44
Total	.02
	29.59

An arrangement was made with the Great Northern Railway Company to use their line between Helena and Boomerang Junction, Montana, and on April 20 1905 the Company ceased operating over the Boulder, Wickes and a part of the Elkhorn branches in Montana.

Leased from Great Northern Railway Company

Total additions

On September 1 1904 a portion of the Phillipsburg Branch, from Phillipsburg to Rumsey, Montana, was taken up

Boulder Branch, Montana, operation discontinued April 20 1905

Wickes Branch, Montana, operation discontinued April 20 1905

Elkhorn Branch, Montana, operation discontinued April 20 1905

Total Deductions

Net Additions

Mileage operated June 30 1904

Mileage operated June 30 1905

Average mileage operated during the year

EARNINGS.

Freight Business.

Freight earnings were \$36,861,131 77, an increase of \$3,862,210 27, or 11.7% over the previous year.

The rate per ton per mile decreased from the already low figure of .0088 to .00832.

The revenue train-load increased from 339.04 to 366.52 tons.

The earnings per freight-train mile increased from \$3.035 to \$3.099.

Passenger Business.

Passenger earnings were \$11,335,852 07, an increase of \$230,099 13, or 2.1% over the previous year.

Mail earnings were \$909,684 55, an increase of \$16,166 84, or 1.8%.

Express earnings were \$830,840 00, an increase of \$45,910 06, or 5.8%.

The total earnings for persons and property carried on passenger trains were \$13,076,376 62, an increase of \$292,176 03, or 2.29% over the previous year.

The number of passengers carried was 5,142,891, an increase of only 23,352 over last year, and the number of passengers carried one mile was 488,522,472, an increase of 4,872,206.

The miles run by passenger trains were 6,786,799, an increase of 142,963, or 2.15%. Some service was added on branch lines to aid in the development of the country.

The rate per passenger per mile was substantially the same—.0221 last year and .0223 this year.

The earnings per passenger train mile, including mail and express, were \$1.7125, compared with \$1.7208 last year.

OPERATING EXPENSES.

Maintenance of Equipment.

Maintenance of equipment cost \$5,053,586 34, an increase of \$941,215 61, or 22.9%.

All equipment in service was maintained in good condition.

Locomotives.

Total number of engines on active list June 30 1904

Additions:

Purchased, Pacific type locomotives

Mikado type locomotives

Sold, scrapped or discarded

Total number on active list June 30 1905

In addition to five locomotives on active list sold or scrapped, there were ten locomotives sold or scrapped from the superannuated list, leaving eighty-five still on that list.

Hauling Capacity.

The capacity of all engines on the active list as compared with last year is shown approximately by the following statement of total weights:

	Number.	Tot'l Weight	Tot'l Weight
		of Drivers.	of Engines.
Assignment June 30 1904	913	95,838,923	131,941,037
Added during fiscal year	79	14,972,000	19,813,000
	992	110,810,923	151,754,037
Sold, scrapped or discarded in fiscal year	77	4,191,850	6,501,500
Assignment June 30 1905	915	106,619,073	145,252,537
Net increase	2	10,780,150	13,311,500
Percentage of increase	0.22%	11.25%	10.09%

Passenger Equipment.

June 30 1904 the company owned 721 passenger-train cars; June 30 1905, 749 passenger-train cars, a net increase of 28.

Freight Equipment.

Comparative statement of number and capacity of freight cars:

	1904	1905	Increase
	Capacity	Capacity	Capacity
	Number.	Number.	No.
Box	17,777	495,612	20,812
Furniture	528	13,215	522
Refrigerator	521	12,770	669
Fruit	28	685	657
Stock	1,342	29,115	1,243
Flat	8,019	244,463	7,712
Oil	259	4,165	223
Coal	2,707	78,080	2,863
Ballast and ore	1,077	40,050	1,063
Totals	32,258	918,155	35,135
Percentage of increase	8.9%		8.9%
Average capacity per car	28.5		29.9

Note.—a Denotes decreases.

Since March 1 1904 the company has purchased 3,850 forty-ton box cars; 150 refrigerator cars; 200 forty-ton sand and gravel cars; 500 fifty-ton coal cars, or a total of 4,700 cars; also 75 heavy freight and 18 heavy passenger engines, all of which are now in service.

Maintenance of Way and Structures.

Maintenance of Way and Structures cost \$7,345,820 70, an increase of \$699,867 45, or 10.5%.

The property was well maintained and improved, as shown by the following:

Permanent Way.

New second-track laid with new 85-pound rail.....	36.09 miles
Main line relaid with new 85-pound rail.....	213.17 "
Main line relaid with new 72-pound rail.....	1.37 "
Main line relaid with second-class 67-pound rail.....	0.24 "
Main line relaid with new 66-pound rail.....	0.30 "
Main line relaid with second-class 66-pound rail.....	0.65 "
Branch lines relaid with heavier rail.....	25.58 "
Sidings and spur tracks constructed.....	80.27 "
Track ballasted.....	229.30 "
Embankment widened.....	166.10 "
Cross-tie renewals, main line.....	1,220,022 ties
Cross-tie renewals, branch lines.....	636,995 "
Timber bridges replaced by permanent structures.....	141= 4.36 miles
Timber bridges renewed.....	93 "
Timber culverts replaced by stone, iron or tile.....	278 "
New stock fence constructed.....	357.03 "
New snow fence constructed.....	19.66 "

Composition of Main and Second Track.

	Main Line.	Branches.	Second Track.	Totals.
85-pound steel.....	489.81		39.38	529.19
72-pound steel.....	1,565.01	42.33	43.05	1,650.40
66 and 67-pound steel.....	434.50	529.62	17.29	981.41
60-pound steel.....	131.79	94.58	0.69	227.06
56-pound steel.....	78.24	1,894.11	1.53	1,973.88
Other weights.....	49.51	24.15	1.34	75.00
Totals.....	2,748.86	2,584.79	103.29	5,436.94

Bridges.

During the year 234 bridges were replaced and 26 eliminated by lines changed and abandoned; 93 were replaced by timber structures and 141 in permanent form as follows:

Replaced by embankment.....	108 bridges.	14,729 lineal feet.
Replaced by plate girders.....		
and I beams.....	24 "	6,123 "
Replaced by steel trusses.....	0 "	2,179 "
Totals.....	141 "	23,031 " = 4.36 miles.

Bridges as they Exist June 30 1905.

	No.	Aggregate Length. Lineal Feet.	Miles.
Steel, Iron and Stone Permanent Bridges.....	407	56,152	10.64
Timber and Combination Iron and Timber Structures.....	2,693	386,680	73.23
Totals.....	3,100	442,832	83.87

The total length of timber structures replaced by steel bridges, embankments or in other permanent form from July 1 1885, when the work was commenced, to June 30 1905, is 101.20 miles.

The large bridges over the Missouri River at Bismarck and over the Columbia River at Pasco are now being rebuilt and will be finished during the fiscal year ending June 30 1906.

Buildings.

The improvement of the terminals at Seattle was continued throughout the year, and the large brick freight house was completed. The passenger station and yards being built for the joint use of your company and the Great Northern will be finished during the current year.

CHARGES TO CAPITAL ACCOUNT FOR NEW PROPERTY.

Upon requisition of the Executive Officers, approved by the Board of Directors, expenditures from the Betterment and Enlargement Funds have been made during the past fiscal year for:

Real Estate and Right of Way—	
At St. Paul, Minnesota.....	\$33,335 89
At Staples, Minnesota.....	5,263 62
At Detroit, Minnesota.....	10,692 50
At Butte, Montana.....	17,618 02
At Spokane, Washington.....	8,422 10
At Tacoma, Washington.....	71,098 39
	\$146,430 52
New Branches and Extensions—	
Wadena to Dower Lake, Minnesota, second track.....	\$153,617 35
Edgeley to Dawson Extension, North Dakota.....	104,308 37
Sykeston Branch Extension, North Dakota.....	60,908 81
Missouri River Branch, North Dakota (Right of Way).....	30 50
Bitter Root Branch Extension, Montana.....	98,085 97
Peninsular Branch, Washington.....	93,374 41
Seattle Belt Line, Washington.....	63,519 62
Auburn to Black River, Washington, second track.....	3,955 12
Sunnyside Branch, Washington.....	3,513 54
Washington Railway & Navigation Lines, Washington.....	8,702 05
	590,015 74
New Equipment—	
40 Locomotives.....	\$710,408 14
2,950 Box Cars.....	2,038,961 18
	2,749,369 32
Total expended from Betterment and Enlargement Funds.....	\$3,485,815 58

In addition to the above there has been advanced in part payment of this Company's proportion of cost of new passenger station and freight terminals at Seattle, but not drawn from the Betterment and Enlargement Funds.

932,075 17
\$4,417,890 75

BETTERMENT AND ENLARGEMENT FUNDS JUNE 30 1905.

Provision under Plan of Reorganization.....	\$5,000,000 00
Received from United States Circuit Court for Bonds deposited under foreclosure.....	72,864 00
Received from Farmers' Loan & Trust Company for \$1,000 General Second Mortgage Bond.....	1,100 00
Proceeds of sale of \$9,046,550 Prior Lien Bonds drawn from Trustee and deposited in "Cash Fund".....	9,207,428 47
Proceeds of sale of \$9,000,000 Prior Lien Bonds provided under Article 1, Section 4 (2), of Mortgage.....	9,120,362 50
Proceeds of sale of \$4,000,000 General Lien Bonds provided under Article 1, Section 4, of Mortgage.....	2,920,000 00
Net moneys from land sales drawn from Trustee.....	14,214,993 06
Proceeds of sale of sundry property.....	203,652 26
Interest on funds allowed by Trustee.....	72,759 54
Cash in hands of Trustee.....	729,739 44
Prior Lien Bonds in Treasury.....	1,500,000 00
Total amount provided.....	\$43,042,869 27

Accounted for as follows—

Amount expended to June 30 1904.....	\$38,941,477 27
Amount expended July 1 1904 to June 30 1905.....	
For real estate (see preceding column).....	\$146,430 52
For new mileage (see preceding column).....	590,015 74
For new equipment (see preceding column).....	2,749,369 32
	3,485,815 58
Balance unexpended represented by—	
aCash in hands Mercantile Trust Company, Trustee "Cash Fund".....	\$729,739 44
Prior Lien bonds in Treasury.....	1,500,000 00
	\$2,229,739 44
Less Cash due Operating Department.....	1,614,163 02
	615,576 42
	\$43,042,869 27

a In addition to above cash, there is in hands of Trustee of Prior Lien Mortgage, in "Net Moneys" account, the sum of \$376,096 28 available for future expenditures.

The following extensions were completed and put in operation during the fiscal year ending June 30 1905, viz:

Bitter Root Branch Extension, Charles to Darby, Montana.....	7.44 miles
Seattle Belt Line, Woodinville Junction to Black River Junction, Washington.....	21.60 "
Wadena to Dower Lake, Minnesota, second track.....	14.53 "
	43.57 "
Peninsula Branch, Hoquiam to Moclips, Washington (put in operation July 1 1905).....	28.02 "
Total.....	71.59 "

The construction of the following branches or extensions has been authorized, but they were not completed June 30 1905:

Edgeley Extension, Edgeley to Dawson, North Dakota.....	41.00 miles
Sykeston Branch, Denhoff to Turtle Lake, North Dakota.....	31.60 "
Sunnyside Branch, Toppenish, Washington, easterly.....	21.00 "
Total.....	93.00 "

All of the above construction is from funds provided under terms of the Prior Lien Mortgage, and the lines become a part of the estate of this Company subject to same.

On May 25 1905, a contract was signed with the Union Pacific Railroad Company, under which railroads are to be constructed from Grangeville, Idaho, to Lewiston, Idaho, and thence on the north bank of the Snake River to a connection with the line of the Oregon Railroad & Navigation Company at a point opposite Riparia, Washington.

This contract also provides for the joint use of the bridge over the Snake River at Riparia.

Surveys and construction work are now being pushed and the building of the new roads, about 125 miles in all, will develop the rich plateau country south of the Clearwater River in Idaho.

In these railroads this Company will own an undivided one-half interest.

CAPITAL STOCK AND DEBT.

There was no change in the Capital Stock of the Company during the year.

As shown by statement in the Comptroller's report, the bonded debt of the Company increased \$876,963 32.

PROPRIETARY COMPANIES.

Washington & Columbia River Railway Company.

The Washington & Columbia River Railway has been continued under separate management, and its relations with your Company remain unchanged.

There has been no change in the amount of stock or bonds during the year, and no change in the mileage operated (162.73). The property has been well maintained and economically administered. There was an unusually good wheat crop in the counties through which the road passes.

The results of its operations for the year ending June 30 1905 is given below:

Gross Earnings—	
Freight	\$409,412 40
Passenger	78,226 49
Mail and Express	12,617 53
Miscellaneous	17,719 13
Operating Expenses and Taxes	\$289,225 42
Improvements and Betterments	28,391 67
	317,617 09
Net Earnings	\$200,358 46
Add interest on Deposits, Rentals, etc.	5,322 99
	\$205,681 45
Deduct—	
Interest on first mortgage Bonds	\$99,920 00
Interest on income Bonds	39,800 00
	189,720 00
Surplus	\$15,961 45

Minnesota & International Railway Company.

Seventy per cent of the stock and all of the indebtedness of the Minnesota & International Railway are owned by your Company.

There has been no change in the amount of stock or bonds during the year; and no change in the mileage operated (143).

The property has been well maintained and economically administered.

There has been less log business than in previous years.

A statement of the operation of the line for the fiscal year ending June 30 1905 is given below:

Gross Earnings—	
Freight	\$359,046 80
Passenger	112,765 43
Mail and Express	13,035 18
Miscellaneous	3,652 41
Operating expenses and taxes	\$339,169 63
Improvements and betterments	29,550 78
	368,720 14
Net earnings	\$119,779 41
Add interest on securities and cash deposits	18,438 22
	\$138,217 63
Deduct—	
Interest on bonds	107,250 00
Surplus	\$30,967 63

GENERAL.

By reference to the report of the Chicago Burlington & Quincy Railroad Company, it will be seen that the operation of that road during the past fiscal year has been very satisfactory. The Chicago Burlington & Quincy Railway Company has collected the dividends on the shares of stock owned by your Company and has paid the interest on the joint bonds.

The report of the Comptroller gives further details of the transactions of the Company, including statements of the operations and condition of the Land Grants and of the Insurance Fund.

By order of the Board of Directors,
HOWARD ELLIOTT, President.

INCOME ACCOUNT

For the Fiscal Year Ending June 30 1905.

To		
Operating Expenses:		
Conducting Transportation	\$12,565,739 81	
Maintenance of Equipment	5,053,586 34	
Maintenance of Road and Structures	7,345,820 70	
General Expenses	1,843,611 69	\$26,808,758 54
Taxes:		
State and County		1,601,000 00
Interest and Rentals:		
Interest on Mortgage Debt	\$6,947,983 33	
Rentals of Leased Lines	160,469 30	7,108,452 63
Dividends:		
Nos. 26, 27 extra, 28, 29 extra, 30, 31	10,850,000 00	
Appropriation for Improvements, etc.	3,000,000 00	
Balance	14,381,219 29	\$63,749,430 46
By		
Balance to credit of Profit and Loss June 30 1904, as per Annual Report	\$11,104,977 71	
Gross Earnings:		
Freight	\$36,861,131 77	
Passenger	11,335,852 07	
Mail, Express and Miscellaneous	2,525,901 88	50,722,885 71
Dividends and Interest on Securities owned, and Interest on Deposits		1,921,567 00
		\$63,749,430 46
By Balance carried to the credit of Profit and Loss, as shown by the Balance Sheet of this date	\$14,381,219 29	

PASSENGER, FREIGHT AND MISCELLANEOUS STATISTICS.

Average Mileage for the Year. June 30 1904. 5,262.16 June 30 1905. 5,314.95

	1903-1904.		1904-1905.		Increase.	Per cent.	De- credits.
	Passengers, Miles, Tons, etc.	Amount, Rate, etc.	Passengers, Miles, Tons, etc.	Amount, Rate, etc.			
Passenger Traffic—							
Number of passengers carried	5,119,539	-----	5,142,891	-----	23,352	.46	1
Number of passengers carried one mile	483,650,266	-----	488,522,472	-----	4,872,206	1.01	-----
Average miles traveled by each passenger	94.5	-----	95.0	-----	.5	.53	-----
Tariff passenger earnings		\$10,676,851 65		\$10,897,765 20	\$220,913 55	2.07	-----
Other passenger department earnings		2,107,348 94		2,178,611 42	71,262 48	3.38	-----
Total passenger department earnings		12,784,200 59		13,076,376 62	292,176 03	2.29	-----
Average amount paid by each passenger		2.09		2.12	.03	1.44	-----
Average rate per passenger per mile		.0221		.0223	.0002	.90	-----
Passenger earnings per mile of road (average mileage)		2,429 46		2,460 30	30 84	1.27	-----
Passenger earnings per train mile		1.7208		1.7125	.0083	.48	.0083
Freight Traffic—							
No. tons revenue freight carried	13,283,477	-----	13,036,789	-----	246,688	1.86	246,688
No. tons revenue freight carried one mile	3,685,672,022	-----	4,359,664,201	-----	673,992,179	18.29	-----
Average distance haul of one ton	277.5	-----	334.4	-----	56.9	20.50	-----
Tariff freight earnings		\$32,434,044 25		\$36,264,128 63	\$3,830,084 38	11.81	-----
Other freight earnings		564,877 25		597,003 14	32,125 89	5.69	-----
Total freight earnings		32,998,921 50		36,861,131 77	3,862,210 27	11.70	-----
Average receipts from each ton of freight		2.44		2.78	.34	13.93	-----
Average receipts per ton per mile revenue freight		.00880		.00832	.00048	5.45	.00048
Total freight earnings per mile of road (average mileage)		6,270 98		6,935 37	664.39	10.59	-----
Total freight earnings per train mile		3.0355		3.0990	.0635	2.09	-----
Total Train Traffic—							
Earnings from freight and passenger trains		\$45,783,122 09		\$49,937,508 39	\$4,154,386 30	9.07	-----
Earnings per train mile		2.61		2.67	.06	2.30	-----
Expenses per train mile		1.38		1.44	.06	4.35	-----
Net traffic earnings per train mile		1.23		1.23	.00	.00	-----
Train and Car Mileage—							
Mileage of revenue passenger trains	6,643,836	-----	6,786,799	-----	142,963	2.15	-----
Mileage of locomotives employed in "helping" passenger trains	182,919	-----	247,787	-----	64,868	35.46	-----
Percentage of "helping" to revenue train mileage	2.75%	-----	3.65%	-----	.90%	32.73	-----
Mileage of revenue mixed trains	785,419	-----	849,178	-----	63,759	8.12	-----
Mileage of locomotives employed in "helping" mixed and freight trains	10,085,489	-----	11,045,432	-----	959,943	9.52	-----
Percentage of "helping" to revenue train mileage	13.87%	-----	13.29%	-----	.52%	4.07	-----
Total revenue train mileage	17,514,744	-----	18,681,409	-----	1,166,665	6.66	-----
Mileage of non-revenue trains	1,632,613	-----	1,413,598	-----	219,015	13.41	219,015
Mileage of passenger cars	49,206,246	-----	50,326,942	-----	1,120,696	2.28	-----
Average No. of passenger cars in train	6.62	-----	6.59	-----	.03	.03	-----
Average No. of passengers in train	65.10	-----	63.98	-----	1.12	1.12	-----
Average No. of passengers in each car	9.83	-----	9.71	-----	1.12	.12	-----
Mileage of loaded freight cars	237,850,935	-----	270,795,070	-----	32,944,135	13.85	-----
Mileage of empty freight cars	98,577,300	-----	112,054,204	-----	13,476,904	13.67	-----
Mileage of loaded and empty freight cars	336,428,235	-----	382,849,274	-----	46,421,039	13.80	-----
Average No. of loaded freight cars in train	21.88	-----	22.77	-----	.89	4.07	-----
Average No. of empty freight cars in train	9.07	-----	9.42	-----	.35	3.86	-----
Average No. of freight cars in train	30.95	-----	32.19	-----	1.24	4.01	-----
Percentage of empty cars to total cars in train	29.30%	-----	29.27%	-----	.03%	.10	.03%
Average No. tons revenue freight in train	339.04	-----	366.52	-----	27.48	8.11	-----
Average No. tons revenue freight in each loaded car	15.50	-----	16.10	-----	.60	3.87	-----
Company freight, tons carried	3,053,858	-----	3,359,454	-----	305,626	10.01	-----
Company freight, tons one mile	694,778,562	-----	729,735,678	-----	34,957,116	5.03	-----
Tons per train, company and commercial	402.95	-----	427.87	-----	24.92	6.18	-----
Tons per loaded car, company and commercial	18.42	-----	18.79	-----	.37	2.01	-----

NORTHERN PACIFIC RAILWAY COMPANY—GENERAL BALANCE SHEET JUNE 30 1905.

CAPITAL ASSETS.		CAPITAL LIABILITIES.	
NORTHERN PACIFIC ESTATE:		CAPITAL STOCK:	
Balance of this account June 30 1904.....	\$253,546,091 87	Common Stock.....	\$155,000,000 00
To which add:			
Buildings constructed since June 30 1904.....	590,015 74		
Real estate and terminals purchased since June 30 1904.....	1,078,503 09		
		Prior Lien Bonds.....	\$107,150,000 00
		Less Bonds Canceled.....	3,210,500 00
			\$103,939,500 00
Less:		General Lien Bonds.....	60,000,000 00
Net proceeds of Land Department.....	\$832,415 22	St. Paul-Duluth Division Bonds.....	2,148,000 00
Net proceeds of property sold.....	10,033 72	Less Bonds Canceled.....	8,093,000 00
Balance of discount on sale and exchange of securities.....	878,456 08		
		Northern Pacific-Great Northern Joint Bonds and Scrip.....	
		Total Issue.....	\$215,223,200 00
		Less Great Northern Railway Company's proportion.....	107,611,600 00
			279,644,100 00
EQUIPMENT:			
Balance of this account June 30 1904.....	\$28,021,546 71	Capital Liabilities Issued	\$434,644,100 00
New equipment (purchased out of Betterment & Enlargement Fund since June 30 1904).....	2,749,369 32		
		Indebtedness of other Companies, assumed by the Northern Pacific Railway Company:	
PROPERTY LEASED TO PROVINCE OF MANITOBA:		St. Paul & Northern Pacific Railway Company.....	\$8,021,000 00
Value of road and appurtenances.....	\$6,812,512 84	Western Railroad of Minnesota First Mortgage Bonds.....	328,000 00
Value of equipment.....	157,034 00	St. Paul & Duluth Railroad First Mortgage Bonds.....	1,000,000 00
Value of material and supplies.....	30,453 06	St. Paul & Duluth Railroad Second Mortgage Bonds.....	2,000,000 00
		St. Paul & Duluth Railroad Consolidated Bonds.....	1,000,000 00
CASH IN HANDS OF TRUSTEES OF SINKING FUNDS.....		St. Paul & Duluth Railroad First Mortgage Bonds (P. R. Co.).....	210,000 00
SECURITIES IN HANDS OF TRUSTEES OF ST. PAUL-DULUTH Division Bonds as collateral.....		Duluth Short Line Railway Bonds (guaranteed by St. Paul & Duluth Railroad Company).....	500,000 00
COST OF SECURITIES IN HANDS OF TRUSTEE OF NORTHERN Pacific-Great Northern joint bonds as collateral (1,076,116 shares C. B. & Q. RR. capital stock—Northern Pacific Railway Company one-half owner).....	1,597,924 56	Minneapolis & Duluth Railroad Mortgage Bonds.....	280,000 00
		St. Paul & Duluth Railroad Car Trust Notes.....	104,349 36
			13,443,349 36
		Capital Liabilities Assumed	
		Total	\$449,087,449 36
CURRENT ASSETS.		CURRENT LIABILITIES.	
CASH ASSETS:		PAY ROLLS, MATERIAL VOUCHERS AND MISCELLANEOUS ACCOUNTS.....	\$5,143,418 90
Cash on hand and in banks.....	\$3,630,103 09	TAXES ACCRUED ON RAILWAY (partly estimated).....	816,460 81
Accounts Receivable.....	30,229 06	INTEREST ON MORTGAGE DEBT:	
Bills Receivable.....		Accrued.....	\$550,056 65
		Matured, including interest due July 1 1905.....	1,137,088 00
Material on hand.....			1,687,144 65
TREASURY SECURITIES:		DIVIDENDS UNPAID:	
\$182,000 Northern Pacific General Lien Bonds.....	\$137,172 50	Common Stock dividend No. 31, due August 1 1905.....	\$2,712,500 00
361,000 St. Paul-Duluth Division Bonds.....	361,000 00	Unpaid dividends St. Paul & Duluth Railroad Company.....	2,019 00
7,000,000 Northwestern Improvement Company Bonds.....	7,000,000 00		
2,775,000 Northwestern River Railway Company Stock.....	2,775,000 00	RESERVE FUNDS:	
3,000,000 Washington & Columbia River Railway Company Stock.....	3,000,000 00	For improvements and for replacement of equipment, etc.....	2,714,519 00
1,000,000 Washington Central Railway Company Stock.....	991,371 00		
2,142,200 Clearwater Short Line Railway Company Stock.....	221,279 94	Total	4,713,775 39
39,800 Lake Superior Terminal & Transfer Railway Co. Stock.....	2,142,200 00		
56,250 St. Paul Union Depot Company Stock.....	56,250 00	INSURANCE FUND.....	\$785,902 47
BETTERMENT AND ENLARGEMENT FUND ASSETS:		LIQUIDATION FUND:	
Cash in hands of Mercantile Trust Company.....	\$729,739 44	Reserve for possible liabilities in connection with purchase of property of Northern Pacific RR. Co. and St. Paul & Duluth Railroad Company.....	27,695 32
Prior Lien Bonds in Treasury.....	1,614,163 02		
Less Cash due Operating Department.....		Total	813,657 79
INSURANCE FUND ASSETS:		SURPLUS REVENUE.	
Cash, Bonds, etc., as per details, page 36 of pamphlet report.....		Excess of earnings and miscellaneous income over operating expenses, taxes, etc., less interest on mortgage debt and dividends on stock from September 1 1896 to June 30 1905.....	14,381,219 29
LAND DEPARTMENT:			
Balance of Land Department Current Assets.....	4,952,679 47		
		Total	\$478,357,645 19

GREAT NORTHERN RAILWAY COMPANY.

SIXTEENTH ANNUAL REPORT—FOR THE FISCAL YEAR ENDED JUNE 30 1905.

To the Stockholders:

The President and Directors submit the following report for the year ended June 30 1905:

FINANCIAL.

Capital Stock.

There has been no increase in the authorized share capital of the Great Northern Railway Company during the year, and same remains at \$125,000,000.

Of the capital authorized there had been issued to June 30 1904 (page 5, last year's report) \$124,129,250 00
There have been issued during the year 1,113 $\frac{3}{4}$ shares, amounting to 111,375 00
In completing previous transactions: 125,000 00
Twelve hundred and fifty shares, amounting to, have been transferred to the Great Northern Employees' Investment Company, Limited, under the contract referred to on page 7 of Report for the year ended June 30 1900. To June 30 1905 the Investment Company had subscribed and paid for 5,150 shares (\$515,000) under the contract mentioned.

Total outstanding June 30 1905. \$124,365,625 00

There were held in the Treasury of the Company June 30 1905 4,493 $\frac{3}{4}$ shares of Great Northern Stock, not used in acquiring 3,595 shares of Manitoba Stock and 1,850 shares of Great Northern Stock to be issued only to the Employees' Investment Company as subscribed for.

It has been stated in previous reports that the amounts the Company had advanced certain companies for construction purposes were being carried to be applied in payment for stock to be issued by those companies. During the year such stock has been issued and acquired by the company as follows:

The Dakota & Great Northern Railway Co. \$2,000,000 00
The Montana & Great Northern Railway Co. 7,000,000 00
The Washington & Great Northern Railway Co. 2,000,000 00
The Great Northern Steamship Co. 6,000,000 00

Total \$17,000,000 00
These shares, with the \$1,500,000 00
Stock of the Seattle & Montana Railroad Co. and

of the St. Paul Minneapolis & Manitoba Railway Co.'s Improvement Bonds acquired during the year ended June 30 1902 (see page 6 of report for that year) \$219,717-10s
Debenture Stock, and 497,142
Common Shares of the Kootenay Railway & Navigation Company, Limited, make up the amount of securities to be acquired by the Company with the proceeds of the \$25,000,000 of Great Northern Stock issued in pursuance of resolution adopted by the Directors Feb. 27 1901 (see pages 5 and 6 Report for year ended June 30 1901).

The stock acquired by the company is full paid and represents actual cash expended for construction. The amounts that the company had advanced for construction to June 30 1905 to the four companies first named exceed the \$17,000,000 stock issued by \$5,951,373 10. No bonds have been issued by those companies.

Other than as above stated there has been no change during the year in the amount of Capital Stock of any of the proprietary companies.

Bonded Debt.

The table on page 1254 and the balance sheet, page 1255, show an increase of \$4,105,484 85 during the year in the bonded debt of the St. Paul Minneapolis & Manitoba Railway Company in the hands of the public, caused by the sale during the year of \$1,000,000 St. Paul Minneapolis & Manitoba Railway Company Pacific Extension Bonds, and by the retirement of bonds through the operation of the sinking fund as the following table explains:

Pacific Extension Mortgage Bonds—	
Sale of Bonds heretofore held in the Treasury of the Great Northern Railway Company. \$1,000,000@ \$4.8484	\$4,848,484 85
Consolidated Mortgage 4 $\frac{1}{2}$ % Bonds, issued in exchange for St. Paul Minneapolis & Manitoba Railway Company's Bonds surrendered and canceled, as follows—	
Second Mortgage Bonds	\$381,000 00
Dakota Extension Mortgage Bonds	390,000 00
Total issued	\$771,000 00
Less bonds redeemed and canceled by the Trustee through the operation of the Sinking Fund	743,000 00
Net increase in Consolidated Mortgage 4 $\frac{1}{2}$ % Bonds	28,000 00
Total increase	\$4,876,484 85
Less—	
Second Mortgage 6% Bonds, canceled as above	\$381,000 00
Dakota Extension Mortgage 6% Bonds, canceled as above	390,000 00
Total	771,000 00
Net increase in amount of St. Paul Minneapolis & Manitoba Railway Company's Bonded Debt outstanding in hands of the public	\$4,105,484 85

There has been no change during the year in the bonded debt of any of the proprietary companies.

During the year \$16,000 Northern Pacific-Great Northern Joint C. B. & Q. Collateral 4 per cent Bonds have been issued in payment for 80 shares of C. B. & Q. RR. Company's Stock, making the total amount of these bonds and scrip outstanding June 30 1905, \$215,223,200. The Chicago Burlington & Quincy Railway Company has collected the dividends on the 1,076,116 shares of the C. B. & Q. RR. Stock deposited as collateral to secure these bonds and has paid the interest on the joint bonds.

As explained on next page, the St. Paul Minneapolis & Manitoba Railway Company issued \$6,910,000 Improvement Bonds during the year in part payment for the line of railway between Columbia Falls and Jennings, Mont. As these bonds are owned by the Montana & Great Northern Railway Company and are deposited with the Great Northern Railway Company as collateral security for advances made to the Montana Company, they do not appear in the table of bonds in the hands of the public (page 1254) or on the balance sheet (page 1255) as a liability.

GENERAL.

Expenditures were made during the year on the capital accounts of Proprietary Companies for work completed or under construction, as follows:

Eastern Railway Company of Minnesota	\$290,528 34
Montana Central Railway Company	27,390 90
Willmar & Sioux Falls Railway Company	53,268 97
Duluth Watertown & Pacific Railway Company	34,280 13
Seattle & Montana Railroad Company	381,234 70
Minneapolis Union Railway Company (Credit)	137 92
Minneapolis Western Railway Company	2,240 79

Total \$788,805 91

There has been advanced for construction purposes during the year to companies other than those above mentioned the sum of \$8,133,503 81, and there has been paid out for additional equipment for the Great Northern Railway Company \$497,102 36.

The balance sheet in last year's report (page 33) showed "Bills and Accounts Payable" to the amount of \$6,400,000.

These had been reduced June 30 1905 to \$1,030,000, and that balance has been paid off since the close of the fiscal year.

As shown on page 33, there has been appropriated out of the net revenue for the year \$3,000,000 for the "Fund for Permanent Improvements and Renewals;" and there was charged against that fund \$1,117,972 42, the cost of improvements (other than those charged to operation) made during the year to property leased from the St. Paul Minneapolis & Manitoba Railway Company.

The subject of the control of railway rates by the Federal Government has been prominently before the country for some time past. It has been stated that while tariffs have been reduced the various classifications have been changed so as to offset the apparent reduction in rates. The following table, taken from the annual reports of the company, shows the actual yearly reduction in freight rates for the past twenty-five years and the total reduction for the same period. These reductions have only been made possible by the growth of the company's traffic, as shown in the increase in the tonnage hauled one mile each year.

Year	Revenue Tons Hauled One Mile.	Average Revenue Per Ton Per Mile Cents.	Revenue Collected.	Revenue on Basis of Average Rate Recollected in 1981 would have been	Saving to Shippers by Reduction in Rates.
1881	93,464,324	2.58	\$2,691,772 54	\$2,691,772 54	
1882	189,862,911	2.51	4,772,005 72	5,468,051 84	\$695,046 12
1883	341,539,997	1.95	6,667,934 96	9,836,351 91	3,168,416 95
1884	500,347,879	1.79	6,114,459 51	9,802,016 92	3,687,559 41
1885	395,592,105	1.53	6,013,050 12	11,293,052 62	5,280,002 50
1886	374,985,532	1.49	5,587,284 43	10,799,583 32	5,212,298 89
1887	450,932,489	1.36	6,151,746 69	12,966,855 68	6,815,108 99
1888	562,531,432	1.306	7,348,513 03	15,200,905 24	8,852,392 21
1889	445,487,130	1.494	6,656,647 44	12,830,029 34	6,173,381 90
1890	666,266,543	1.251	8,332,241 86	19,188,476 44	10,856,234 58
1891	768,922,771	1.236	9,439,006 77	22,000,976 80	12,561,969 03
1892	997,991,632	1.215	12,122,128 64	28,742,159 00	16,620,030 36
1893	1,093,692,312	1.190	13,015,725 01	31,498,338 59	18,482,613 58
1894	1,074,502,718	1.067	11,495,916 41	30,954,318 28	19,458,401 87
1895	1,344,957,131	.984	13,234,560 47	38,734,765 37	25,500,204 90
1896	1,622,877,423	.976	15,835,090 47	46,738,869 78	30,903,779 31
1897	1,657,223,725	.956	15,841,330 90	47,728,043 28	31,886,712 38
1898	1,857,955,894	.932	18,056,046 88	55,513,129 75	37,457,082 87
1899	2,158,212,794	.916	19,779,209 29	62,156,528 47	42,377,319 18
1900	2,504,792,882	.899	22,533,019 53	72,138,035 00	49,605,015 47
1901	2,481,751,196	.871	21,622,653 95	71,474,434 42	49,851,780 47
1902	3,190,217,482	.859	27,409,017 23	91,878,263 48	64,469,246 25
1903	4,606,835,176	.857	30,915,234 29	103,876,853 07	72,961,618 78
1904	5,351,902,089	.893	29,944,300 32	96,531,900 16	66,587,599 84
1905	4,170,160,658	.792	33,013,722 38	120,100,626 95	87,086,904 57
	35,818,206,224		\$354,580,519 24	\$1,031,564,339 25	\$676,983,820 01

The Great Northern Steamship Company's steamship "Minnesota" sailed from Seattle, Wash., on her initial trip to the Orient on Jan. 23 1905, arrived at Seattle on return voyage April 18 1905, sailed on trip No. 2 May 2 1905 and arrived at Seattle on return voyage July 20 1905. The return trip from Yokohama to Seattle on voyage 2 was made in twelve and one-half days.

The Steamship "Dakota" sailed from New York April 28 1905, arrived at Seattle June 26 1905, and sailed from that port on her first trip to the Orient on Sept. 20 1905.

The Board respectfully calls attention of the shareholders to the reports of the Vice-President and the Comptroller, with the customary balance sheet and statistical tables, and to the report of the Land Commissioner.

JAMES J. HILL,
President.

Report of Vice-President.

Mr James J. Hill, President.

Dear Sir:—Herewith please find report for fiscal year ended June 30 1905.

Gross Earnings, Operating Expenses, Volume of Traffic and Rates.

The gross earnings for the year amounted to \$43,526,088 46, an increase over the previous year of \$3,468,735 17, or 8.66 per cent.

Freight earnings increased \$3,069,422 06, or 10.25 per cent. The number of tons of revenue freight hauled increased 3,290,660, or 23.1002 per cent, and the number of tons hauled one mile increased 818,358,569, or 24.4155 per cent. The number of bushels of wheat hauled to Eastern terminals from stations east of Minot, N. D., and north of Garretson, S. D., decreased 224,304, equal to 6,729 tons. This was caused largely by the damage done by black rust to wheat raised on lands in the Red River valley. Reference was made on page 12 of last year's report to the delay in movement of iron ore on account of the late opening of navigation on the Great Lakes and strike of Lake masters and pilots. While up to July 1 1904 there had been a falling off of ore shipments to the amount of 1,085,203 gross tons, yet the entire tonnage shipped during the 1904 season of navigation was slightly in excess of the quantity shipped during the previous season of navigation. The decrease during the first six months of 1904 was, therefore, more than made up during the latter half of that year. There was a general recovery in the iron market during the fall of 1904, and ore became and continued in active demand at advanced prices during the winter and spring, the result being that shipments handled by the Company from the opening of navigation 1905 to June 30th were larger than ever before. These two causes account for the increase of 2,955,778 (net) tons of iron ore handled during this fiscal year over the quantity handled during the previous year. The tonnage of revenue freight other than iron ore and East-bound wheat increased 341,611 tons and was general over the system, the principal increases being in grain, live-stock, lumber, copper ore and products and general merchandise.

The average revenue per ton per mile was .792 cents, a decrease of .101 cents, or 11.31 per cent under the previous year. A portion of this decrease is due to the increased volume of traffic taking lower rates, some to the increase in the average length of haul, and the balance on account of the rate reductions referred to in last year's report, which are for the first time reflected for a full year in the revenue for this year, and to rate reductions made during the year. July 10 1904 rates on hemlock, larch and spruce lumber and various articles manufactured therefrom, shipped from the Pacific Coast, Spokane, Sand Point and Kalispell districts to Eastern terminals, were reduced 20 per cent. Aug. 1 1904 rates to Spokane were revised, making through commodity rates from points east of Chicago in order to allow Spokane merchants to distribute to points within a radius of 100 miles from that city on equal terms with the Pacific Coast. Feb. 15 1905 rates on emigrant movables from Eastern terminals to Spokane were reduced one-third and to the Pacific Coast one-half. These reduced rates remained in effect three months, and were made to encourage the movement of colonists.

Following the practice of former years of making voluntary reductions in freight rates as rapidly as possible, a new grain tariff has been issued effective Sept. 1 1905, reducing grain rates from practically all stations in Minnesota and all stations in North Dakota and South Dakota from one-half cent to five cents per hundredweight, the average reductions from stations in Northern Minnesota and North Dakota being two cents per hundredweight.

The earnings of passenger trains increased \$339,825 96, or 3.5252 per cent. Of this amount \$253,166 96 came from passenger fares, \$18,732 78 from transportation of mails, \$21,347 70 from transportation of express matter, \$37,563 09 from sleeping and chair cars, \$4,395 31 from excess baggage collections, and \$4,620 12 from miscellaneous sources. Passenger-train mileage increased 89,297 miles, or 1.3679 per cent.

The average revenue per passenger per mile increased six one-thousandths of one cent, and was caused by increase in local travel, the average distance traveled by each passenger during the year being 71 miles, as against 74 miles for the previous year. The number of passengers carried during the year shows an increase of 6.5034 per cent. The number of passengers carried one mile increased but 3.0027 per cent. There have been no increases in passenger rates during the year.

Operating Expenses increased \$847,564 43, or 4.1155 per cent over last year. Maintenance of Equipment increased \$610,438 05, and Maintenance of Way and Structures \$487,924 81. Charges to these accounts have been very liberal, and indicate that the property is being constantly and materially improved.

The effect of the permanent work that has been done in previous years is clearly shown by the facts that while the ton mileage of revenue freight increased 24.4155 per cent, the mileage of loaded freight cars increased but 12.3812 per cent, the mileage of freight-hauling trains but 6.5184 per cent, and the cost of Conducting Transportation, or of actually handling the business, decreased \$277,023 89, or 2.5793 per cent. And this while there was a material increase in the cost of station service, due to more stations and additional force to care for local traffic, and increase in the rates of wages.

The average number of tons of revenue freight hauled per train mile increased 75.172 tons (16.8018 per cent) to 522.576 tons. The average number of tons of revenue freight per loaded freight car is now 20, an increase during the year of 1.935 tons, or 10.7113 per cent.

The movement of settlers into North Dakota has continued, and large areas of lands are each year being brought under cultivation. The several branch lines which the Company is building in North Dakota will materially assist in the development of the northern part of that State.

It is hoped that another year will see the construction of a portion of the Government's Canal for the irrigation of the Milk River Valley, and which will result in the speedy settlement of that section. The Government has also undertaken the irrigation of large tracts of land in the vicinity of Buford, N. D., obtaining the water from the Yellowstone River. It has under consideration the irrigation of a large area in the vicinity of Great Falls, Mont., with the waters of the Sun River.

The large crop that has just been harvested and the generally prosperous business conditions throughout the territory served by the Company indicate that the business of the Company during the coming year will be satisfactory.

New Lines.

As stated in last year's report (page 14) The Montana & Great Northern Railway Company's line from Columbia Falls to Rexford, Mont., 69.18 miles, was completed and turned over to the operating department on Oct. 1 1904. This line with the line from Jennings, Mont., to Rexford, also built by the Montana & Great Northern Railway Company, and opened for operation July 10 1902, made a second line between Columbia Falls and Jennings. The maximum grades on the new line are $\frac{1}{4}$ of one per cent west-bound and 7-10 of one per cent east-bound, against the maximum of $1\frac{1}{2}$ per cent both east and west-bound on the old line. The maximum curvature on the new line is $3\frac{1}{2}$ degrees, against 10 degrees on the old line. The number of bridges on the new line is 41, with an aggregate length of 7,030 feet, and the greatest height of 86 feet. On the old there were 47 bridges of an aggregate length of 10,118 feet, and the greatest height of 125 feet. Many of the bridges on the old line were of great length and occurred on sharp curvature. The new line crosses the Cabinet Mountains at an elevation of 3,285 feet, while the elevation on the old line was 4,148 feet.

The building of this new line made unnecessary a portion of the old line, and to permit the removal thereof and at the same time not impair the security underlying the St. Paul Minneapolis & Manitoba Railway Company's Montana Extension and Pacific Extension Bonds, that company purchased the new line from the Montana & Great Northern Railway Company, paying for same \$6,910,867 90, its actual cost, and immediately transferred the road to the Central Trust Company of New York, trustee under the two mortgages mentioned. In consideration of these conveyances and because a portion of the old line had become unnecessary, the trustee released from the liens of the two mortgages that portion of the old line between Jennings and Kalispell. Of the line so released, 29.03 miles from Jennings to Melbourne, with 1.32 miles of sidings, has been removed. The net value of the material recovered has been expended in additions to or improvements of the Manitoba Company's property in Montana, and is in excess of the amount shown on the balance sheet as cost of improvements made by the Great Northern Company to the property leased from the Manitoba Company.

To pay for the new line the Manitoba Company issued \$6,910,000 of its Improvement Bonds, which are now held and owned by the Montana & Great Northern Railway Company. The balance of \$867 90 was paid in cash.

Of the other new lines mentioned in last year's report as being then under construction, the following were opened during the year:

- November 28 1904. Minnesota & Great Northern Ry., Thief River Falls to Greenbush, Minn., 41.09 miles.
- Dakota & Great Northern Ry., Mohall to Sherwood, N. D., 14.85 miles.
- December 15 1904. Crow's Nest Southern Ry., Swinton to Fernie, B. C., 9.82 miles.
- December 27 1904. Dakota & Great Northern Ry., Edmore to Munich, N. D., 24.37 miles.
- February 16 1905. Vancouver Victoria & Eastern Ry. & Nav. Co., Grand Forks to Phoenix, B. C., 24.62 miles; Branch Grand Forks to Granby Smelter, 4.76 miles.

The V. V. & E. Ry. & Nav. Co.'s lines are operated as a portion of the Spokane Falls & Northern Railway System. The balance of the lines mentioned are operated by the Great Northern Railway Company.

The grade for the Washington & Great Northern Railway Company's line from Curlew, Wash., to the international boundary at Midway, referred to in last year's report, was completed during the year, but work was then stopped pending passage of an Act by the Canadian Parliament granting the V. V. & E. Company the right to connect at the international boundary with the Washington & Great Northern Railway Company's lines. These matters having been satisfactorily adjusted in spite of the strenuous opposition of competitors, work has been resumed since the close of the fiscal year, and track-laying on this line is now in progress.

A branch line one mile in length to the Yates mine was built by the Eastern Railway Company during the year, besides numerous short mining spurs that are carried in side-track mileage.

Work was begun during the year on the following lines, which have either been opened for operation since the close of the fiscal year or are now under construction:

By The Dakota & Great Northern Railway Company—

From junction with the main line at York, N. D., to Thorne, 34.35 miles. From junction with the main line at Towner, N. D., to Maxbass, 45.89 miles.

These two lines were opened for operation Aug. 1 1905. Extension of line from Westhope, N. D., to Antler, 12.75 miles. Opened for operation Aug. 25 1905. Extension of line from Munich, N. D., to Saries, 20.53 miles. Opened for operation Oct. 3 1905.

By The Washington & Great Northern Railway Company and the Vancouver Victoria & Eastern Railway & Navigation Company—

Line from the international boundary at Midway, via Molson and Oroville, to Keremeos, B. C., 96 miles. Of this line 49 miles within the United States are being built by the Washington & Great Northern Railway and 47 miles in British Columbia by the V. V. & E. The latter company has just completed the location of an extension from Keremeos to Princeton, 40 miles, and work will be begun as soon as possible. It is hoped to complete the line to Princeton by July 1 1906, but a great deal of the work is very heavy. This line when completed will open up the "Boundary Country," rich in mineral resources, and the development of a heavy ore traffic is expected. Surveys for the extension of the V. V. & E. from Princeton through the Hope Mountains and the Valley of the Frazer River to Vancouver, B. C., are being made.

The Farmers' Grain & Shipping Company, owning a railway from Devil's Lake, N. D., northerly to Starkweather, is now building an extension of same, about 46 miles in length, to the international boundary, and which will be completed in time to move this season's crops. The Great Northern has traffic relations with the Farmers' Company, and this extension of the latter company's line should increase the volume of traffic interchanged at Devil's Lake.

During the year the Iowa & Great Northern Railway Company was organized under the laws of the State of Iowa, for the purpose of furnishing the Willmar & Sioux Falls Railway Company with adequate terminals in Sioux City, Iowa. The Iowa Company has purchased eight city blocks of land in that city and secured desirable franchises, which will be developed this coming year.

Since the close of the fiscal year the Minnesota & Great Northern Railway Company has begun work on an extension of its line from Greenbush to Roseau, Minn., 22 miles. Same will be completed and opened for operation during the year.

The Dakota & Great Northern Railway Company, since the close of the fiscal year, has located and is now building a line from Ellendale, N. D., westerly to Forbes, 13.4 miles, and same will be completed in time to move this season's crops.

Surveys for and location of several other new lines have been made during the year or are now in progress.

Equipment.

The following equipment has been sold or taken out of service during the year.

- 1 light Great Northern locomotive.
- 1 light Eastern Railway of Minnesota locomotive.
- 1 Seattle & Montana baggage, mail and express car.
- 4 Eastern Railway of Minnesota wooden ore cars, and
- 1 small Great Northern steam shovel.

The report for last year stated that of the equipment ordered, 1 locomotive, 6 postal cars, 10 baggage, mail and express cars and 500 box cars had not been received and taken into account at the end of the year.

During the year under review orders were placed for 27 locomotives, 64 passenger train cars, 1,000 box cars, 550 steel ore cars, 3 steam shovels, 3 Lidgerwood unloaders, 1 steam crane and 6 Russell snow plows.

Of the total new equipment undelivered at the close of last year and ordered this year, the following had been received and taken into account at the close of this year:

- 1 ten-wheel passenger locomotive, 19"x28" cylinders, weighing 134,000 pounds on drivers,
- 6 sixty-foot postal cars,
- 10 seventy-foot baggage, mail and express cars; 2 as additional equipment and 8 replacing cars out of service,
- 3 seventy-foot parlor cars with observation room,
- 8 sixty-foot, 60,000 pounds capacity, refrigerator express cars, for use in passenger trains,
- 500 forty-foot, 80,000 pounds capacity, hopper bottom box cars; 489 as additional equipment and 11 replacing cars out of service,
- 7 seventy-ton steam shovels with 2½ yard dippers; 2 for additional equipment and 1 in replacement,
- 2 Lidgerwood unloaders, for which the cars were built at the Company's shops,
- 1 locomotive steam crane for use in shop yard,
- No. 1 Russell snow plows.

All the above equipment is furnished with air brakes and automatic couplers, and all of the passenger train cars are lighted by gas.

The remaining 27 locomotives, 53 passenger service cars, 1,550 freight service cars and 4 snow plows are now being delivered.

Eighty combination box and stock cars have been changed at the company's shops into straight stock cars.

There was expended during the year for equipment \$570,594 63, of which \$504,429 74 was charged to "Equipment Account."

As equipment is destroyed or taken out of service, Operating Expense is charged and "Fund for Replacement of Equipment" is credited with the cost of replacement. When equipment for replacement is purchased, the cost is charged to the account last mentioned.

Additions and Improvements.

The work on the new terminals at Seattle, referred to in the two last annual reports, has been continued during this year. The double-track tunnel under the city has been completed. It is lined with concrete and has a total length between portals of 5,141 feet. Double track has been laid in the tunnel and will be put in operation upon completion of the new joint passenger station, which is well under way and is expected to be finished by Jan. 1 1906. The new brick freight depot, 50x1,000 feet, has been completed and is in use. The grading for the new terminal yards is in progress, nearly 1,000,000 cubic yards of material having been placed since the work began.

At Smith's Cove, Seattle, an extension 100x560 feet has been made to the dock warehouse. An electric-lighting system has been installed at this point, a rail-unloading platform built, and the slip dredged to sufficient depth to accommodate the Great Northern Steamship Company's steamships "Minnesota" and "Dakota."

The work of building a stone sea wall along Puget Sound in place of timber bulkheads, and grading for proposed double track at different points between Everett and Ballard, aggregating 2½ miles in length, is in progress.

Tracks serving industries along the water front at Anacortes, Wash., have been extended .97 mile, and a spur track 2.7 miles long is being laid to Shannon's Point near that city.

The Company has furnished the track material for a logging spur 3.67 miles long, built by the Crookston Lumber Company and extending from the Red River Logging Spur to Mallard, Minn., and for another spur 10.7 miles in length now being built from a connection with the main line at Wilton, Minn., north to Island Lake.

The double track on the eastern Railway Company of Minnesota referred to in previous reports has been extended from State line to Huson, a distance of 6.16 miles, thereby completing the double track between Superior and Brookston, a distance of 50 miles.

Tracks 1.68 miles and 1,050 feet long, respectively, have been laid at Red Lake Falls, Minn., and at Tilden, Minn., connecting the Great Northern and Northern Pacific Railways, and trains are now run between Crookston and Greenbush, Minn., using the Northern Pacific tracks between Tilden and Red Lake Falls.

Passing tracks 4,000 feet long are being laid at five stations on the Breckenridge Division, and the present passing tracks at four stations on that division are being extended to that length.

A "Y" track .21 mile long has been laid at Larimore, N. D.

In addition to tracks specially mentioned above, and later in connection with changes at division points, many additional passing and industrial tracks have been laid, and by re-arrangement of yards at various points the track facilities have been increased and improved. The net increase in side track mileage during the year, not including tracks on new lines under construction or opened for operation during the year, was as follows:

Line leased from St. Paul Minneapolis & Manitoba Ry. Co.	21.20 miles
Line leased from Eastern Railway Co. of Minnesota	3.35 "
Line leased from Dakota & Great Northern Railway Co.	2.40 "
Montana & Great Northern Railway	3.07 "
Seattle & Montana Railroad	10.43 "
Willmar & Sioux Falls Railway	.23 "
Montana Central Railway	1.53 "
Minneapolis Western Railway	.12 "
Park Rapids & Leech Lake Railway	.21 "
Spokane Falls & Northern System	6.68 "
	49.27 miles
Less—	
Crow's Nest Southern Ry.	.86 "
	48.41 miles

The work of tie-plating referred to in previous reports has been continued, approximately 2,335,000 tie-plates having been placed in tracks during the year.

Plants interlocking the crossings of the Northern Pacific Company's tracks at Carlton and Wadena, Minn., have been remodeled and enlarged on account of the construction of the Eastern Company's double track at the former point and the Northern Pacific Company's double track at Wadena.

Interlocking plants are being constructed at Fifteenth Avenue Southeast, Minneapolis, Minn., Boyleston, Wis., and Bridge 6, Mesabi Division.

Wire-connected distance signals interlocked with switches have been installed at eleven stations, two arm train order

signals erected at three stations, and "Chicago" road crossing alarms put in at two points.

Improvements have been made at several division points, the most important of which are:

At Superior, Wis., the general office rooms over freight house were extended and a 500 h. p. Edgemoor boiler installed in power house at elevators.

At Allouez, Wis., 902 feet of trestle approach to the ore docks have been filled with earth, and fire protection has been improved by installing an additional pump of 1,000 gallons per minute capacity and laying larger pipe lines. A revision and extension of the ore yard tracks at this station is in progress.

At Willmar, Minn., a division headquarters office 24x126 feet, and a brick eating house 24x48 feet have been built.

At Breckenridge, Minn., the round house is being extended, new machine shop, boiler house, coal house and new water supply plant built, store house with second story for Superintendent's office, and a 70-foot cinder pit are to be constructed, and the necessary additional tracks to be provided.

At Minot, N. D., a new brick freight depot 40x200 feet has been built and is now in use, and a new brick passenger depot 32x139 feet with additional coach tracks, etc., is under construction. A new ice house 36x100 feet has also been built. A second story is being added to the freight depot for the office of the Assistant General Superintendent and Division Superintendent and their staffs.

At Glasgow, Mont., a 15-stall concrete block engine house with machine shop, blacksmith shop and boiler room attached, steam heating plant, brick store house 30x73 feet, concrete block oil house 28x32 feet, a 70-ft-steel turntable and pit and cinder pit have been built; also a 20-pocket coal chute in place of the old 12-pocket chute burned. Tracks have been rearranged and extended to accommodate the new buildings. A new water supply station is under construction, and additional yard tracks will be laid.

At Hillyard, Wash., main line grade is being reduced and new 20-pocket coal chute, frame depot, brick oil house, brick store house and new water supply plant will be built and yard tracks re-arranged and extended.

Improvements have been made or are in progress in station facilities at other important points.

At Virginia, Minn., new terminals closer to the city have been provided, including necessary tracks and a combination depot 30x72 feet.

Additional and adequate station grounds closer to the business district have been purchased at Ellendale, N. D., and Aberdeen and Huron, S. D., and will be improved during the coming year.

A brick passenger station 32x133 feet is being built at Sioux Falls, S. D.

New depots have been built at:

Alberta, Minn.	Davenport, N. D. (Joint with N. P. Ry.)
Eldred, Minn.	Lawton, N. D.
Kelly Lake, Minn.	Pleasant Lake, N. D.

And in the place of depots burned at:

Angus, Minn.	Arvilla, N. D.
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The depot buildings at five stations have been enlarged and re-arranged, temporary station buildings have been put up at five stations, and improvements have been made in the station buildings at 81 other stations.

A section house has been built at Dunkirk, Mont., in place of one burned, and the section house at Woodville, Mont., has been enlarged.

A 30-pocket coaling station, with fire-proof engine house, engine and hoist, has been built at Brookston, Minnesota, to replace station destroyed by fire, and a coaling platform has been built at Stanley, N. D.

A frame two-stall engine house and a 50-ft. cinder pit have been constructed at Rexford, Mont., and two stalls of engine house at Garretson, S. D., have been extended.

Track scales with 50-foot platforms have been installed as follows:

Western Avenue, Minneapolis, Minn.—100 tons in place of 80 tons.
Interbay, Wash.—80 tons in place of 50 tons;

and 80-ton scales at:

Campbell, Minn.	Adrian, Wash.
Thief River Falls, Minn.	Burlington, Wash.

A 56-foot iron turn table has been put in at B. & M. Siding, Montana, and steel or iron turn tables, replacing wooden ones, have been put in at Park Rapids, Minn., Aberdeen, S. D., and Ellendale, N. D.

A stock yard 156x480 feet has been built at Harlem, Mont., and an addition of a stock pen 100x100 feet has been made to the yard at Buford, N. D., Standard stock yards have been built at:

Alberta, Minn.	Melby, Minn.	Geneseo, N. D.
Barry, Minn.	Mora, Minn.	Guelph, N. D.
Bertha, Minn.	Pelican Rapids, Minn.	Hankinson, N. D.
Garfield, Minn.	Sebek, Minn.	Lidgerwood, N. D.
Hawick, Minn.	West Union, Minn.	St. John, N. D.
Hendrum, Minn.	Wareham, Neb.	Putney, S. D.
Hewitt, Minn.	Buxton, N. D.	Trinidad, Wash.
Lorne, Minn.		

The stock yards at seven stations have been enlarged and improvements made in the stock yards at 44 other stations. Grain-loading platforms have been built at eleven stations and machinery platforms at seven stations.

Permanent improvements in water supply are being continued. Capacity of reservoirs at Chester, Mont., Gildford, Mont., and Concord, Mont., has been increased to twenty million gallons each. New water station has been built at Mountain Junction, Mont.; a pumping plant installed at Delano, Minn., replacing city supply, and a new pumping plant built at Glenburn, N. D. Improvements have been made at 23 other water stations.

A storage ice house 32x160 feet was built at Radnor, Mont.; a division ice house 24x96 feet built at Devil's Lake, N. D., and branch line terminal ice houses built at:

Browns Valley, Minn.	Watertown, S. D.
Aberdeen, S. D.	Yankton, S. D.

Additions have been made to ice houses at:

Carman, Minn.	Spokane, Wash. (brick)
Sioux City, Iowa.	Wenatchee, Wash.

A new snow shed 120 feet long has been built at Alvin, Wash.; and to replace those destroyed by fire, sheds have been rebuilt at Midvale, Mont., 600 feet, and at Alvin, Wash., 552 feet long.

At Kelly Lake, Minn., two bunk houses 11x34 feet, to accommodate Company's employees, have been built; at Blaine, Wash., a building 16x36 feet for immigration agent; at Dale Street Shops, St. Paul, Minn., a 156-foot addition to scrap bin.

During the year tracks have been relaid as follows: 242.55 miles with 80-pound rail, 5.24 miles with 77½-pound rail, 25.29 miles with 72-pound rail (re-rolled from 80-pound section), 5.13 miles with 68-pound rail and 7.04 miles with 66½-pound rail (re-rolled from 75-pound section).

The longest stretches of track relaid were from Shirley, Minn., to international boundary, 85.36 miles; from Wahpeton, N. D., to Moorehead, Minn., 42.91 miles, and from Ojata, N. D., to Michigan, N. D., 37.34 miles—all laid with 80-pound rail.

Right-of-way fence has been built during the year as follows:

Great Northern Railway.....	103.65 Miles
Eastern Railway of Minnesota.....	9.09 "
Dakota & Great Northern Railway.....	2.50 "
Willmar & Sioux Falls Railway.....	7.56 "
Duluth Watertown & Pacific Railway.....	10.86 "
Seattle & Montana Railroad.....	4.30 "

Total on old lines.....138.05 Miles

Numerous changes of line have been made during the year to improve the alignment and save expensive renewals, the most important of which are:

At Tonga, Wash., 4,500 feet long, to avoid heavy bridge filling on old line and to improve alignment.

At Mile Post 13, Coast Line, 1,623 feet long, to get track away from sliding bluffs, to avoid rebuilding bulkheads and to improve alignment.

At Bridge 397, Cascade Division, 1,608 feet, with the filling of bridge and building of masonry retaining wall.

Between Teton and Benton, Mont., 2,006 feet, to get track on solid road bed and drainage tunnels built.

There is also in progress a change at Bridge 434, Cascade Division, including a masonry retaining wall 250 feet long, and a change at Crater, Wash., on Spokane Division, involving the construction of a tunnel 840 feet long.

The work of reducing to 4-10 of one per cent the east-bound grade between Minneapolis and Breckenridge, Minn., as mentioned in last annual report, has been completed as follows:

Terminals Division.....	1.89 Miles
Willmar Division.....	25.00 "
Breckenridge Division.....	10.80 "

Total.....37.69 miles

and additional work is now in progress to complete the reduction.

At Jennings Junction, Mont., the grade at connection between new and old lines has been reduced from 1½ per cent to 4-10 of one per cent.

Between Bear Creek and Java, Mont., timber cribs have been replaced with permanent work, including 480 lineal feet of masonry retaining wall and nearly 140,000 cubic yards of filling.

The work of widening embankments, raising sags, sloping cuts and ballasting, mentioned in last annual report as in progress between Hinckley and Nickerson, Minn., Deer River and Cass Lake, Minn., and Larimore and Bartlett, N. D., has all been completed, and during the year embankments have been raised to grade and sags taken out on 72.58 miles, and have been widened on 231.22 miles, and track ballasted with gravel 319.80 miles.

The work of widening banks and ballasting track between Barnesville and St. Vincent, Minn., on the Northern Division, and between Columbia River and Monitor, Wash., on the Spokane Division, is in progress, covering a total of about 196 miles of track.

At Bonners Ferry, Idaho, track has been raised three feet for a distance of two miles to escape high water.

The replacement of wooden and iron bridges and trestles with steel, or filling them with solid embankments, has been continued during the year, the work done being as follows:

INCOME ACCOUNT GREAT NORTHERN RAILWAY COMPANY.

Year Ended June 30, 1905.

Balance transferred from Revenue Account.....\$11,815,175 87

Other Income—

Interest on Bonds Owned.....\$392,226 60
 Dividends on Stocks Owned.....973,325 00
 Rentals of Leased Lines.....119,851 55
 Bills Receivable (Land Notes).....4,013 32
 Rental of Equipment and Car Service.....291,501 06
 General Interest, Exchange and Discount.....304,201 90
 Income from Other Sources—ground rents,
 miscellaneous items, etc.....295,440 80 2,380,560 23

Total Income.....\$14,195,736 10

Against which have been charged—

Interest Paid and Accrued on £1,500,000
Sterling Loan of December 1 1903-1905.....\$364,500 00

Dividends, as follows—

Aug. 1 1904 1 1/4% on \$124,139,200.....2,172,436 00
 Nov. 1 1904 1 1/4% on 124,149,200.....2,172,611 00
 Feb. 1 1905 1 1/4% on 124,203,000.....2,173,552 50
 May 15 1905 1 1/4% on 1 24,300,600.....2,175,260 50 9,058,360 00

Balance, transferred to Profit and Loss.....\$5,137,376 10

STATEMENT OF BONDS AND STOCK OUTSTANDING IN THE
HANDS OF THE PUBLIC FOR WHICH THE GREAT NORTH-
ERN RAILWAY COMPANY IS RESPONSIBLE DIRECTLY
OR UNDER GUARANTY.

Outstanding July 1 1904. \$	Bonds.	Outstanding July 1 1905. \$	Annual Charges Paid 1904-05. \$
	St. P. M. & M. Ry.—		
7,171,000 00	2d Mtg., 6%.....	6,790,000 00	416,235 00
5,463,000 00	Dakota Exten., 6%.....	5,073,000 00	313,740 00
13,344,000 00	Cons Mtg., 6%.....	13,344,000 00	800,640 00
19,294,000 00	Con. Mtg., 4 1/2%.....	19,322,000 00	869,490 00
10,185,000 00	Montana Exten., 4%.....	10,185,000 00	407,400 00
14,545,454 54	Pacific Extension, 4%.....	19,393,939 39	634,710 32

Total shown on pre-
vious page.....3,442,215 32

	Eastern Ry. of Minn.—		
4,700,000 00	1st Div., 1st Mtg., 5%.....	4,700,000 00	235,000 00
5,000,000 00	North Div., 1st Mtg., 4%.....	5,000,000 00	200,000 00
	Montana Central Ry.—		
6,000,000 00	1st Mtg., 6%.....	6,000,000 00	300,000 00
4,000,000 00	1st Mtg., 5%.....	4,000,000 00	200,000 00
	Willmar & Sioux Falls Ry.—		
3,646,000 00	1st Mtg., 5%.....	3,646,000 00	182,300 00
	Minneapolis Union Ry.—		
2,150,000 00	1st Mortgage, 6%.....	2,150,000 00	129,000 00
650,000 00	1st Mortgage, 5%.....	650,000 00	32,500 00
	Minn. Western Ry.—		
500,000 00	1st Mortgage, 5%.....	500,000 00	25,000 00

96,648,454 54 Total Bonds on Rail-
way Property.....100,753,939 39 4,806,015 32

	Stock.		
448,600 00	St. P. M. & M. Ry.—6% guaranteed, unexch'd.....	359,500 00	5 Net 24,733 50
97,097,054 54	Total.....	101,113,439 39	4,830,748 82

124,129,250 00 Great Northern Ry. Co.,
outstanding.....124,365,625 00 8,693,860 00Bonds on Railway property, outstanding as above.....\$100,753,939 39
Outstanding Capital Stock of Great Northern and St. P.
M. & M. Railway Companies.....124,725,125 00

Total Capitalization of System.....225,479,064 39

Mileage of Track in System, including second, third,
fourth and fifth tracks covered by above capitalization.....6,208 73
 Stocks and Bonds per mile of Main Track.....36,316 46
 Mileage of Main Track covered by bonds in hands of the
 public.....4,834 20
 Bonded Debt outstanding per mile of Main Track covered
 thereby.....20,841 91

a Not including £2,000,000 St. P. M. & M. Ry. Co.'s Pacific Extension
 Bonds in Treasury of Great Northern Railway Company.
 b Difference between amount of rental accrued under lease and divi-
 dends received and accrued on St. P. M. & M. Ry. Stock owned by
 Great Northern Railway Company.

In addition to the bonds above listed, the Great Northern and Northern
 Pacific Companies have issued their Joint C. B. & O. Collateral 4% Bonds
 and Scrip to the amount of \$215,223,200 00, secured by deposit with the
 Standard Trust Co. of New York as Trustee, of 1,076,116 shares of the
 Capital Stock of the Chicago Burlington & Quincy Railroad Company.

EQUIPMENT OF GREAT NORTHERN RAILWAY COMPANY AND
PROPRIETARY LINES.For the Year Ended June 30 1903 as Compared with Year Ended June
30 1905.

Class.	1905.	1904.
Locomotives.....	707	708
Passenger Equip.....	559	543
Box and Stock Cars.....	23,298	22,809
Coal, ore, flat and sand cars.....	7,979	7,982
Work Equipment.....	1,593	1,584

Land Commissioner's Report.

Mr. James J. Hill, President:

Dear Sir: I respectfully submit the following report
 regarding the Minneapolis & St. Cloud Land Grant for the
 fiscal year ended June 30 1905.

	Acres.	Acres.
The total acreage earned is.....	425,660.90	425,664.000
Of which there has been deeded to the Comp'y		
Total acreage sold to June 30 1905, less sales		404,362,890
Value of same.....	\$1,287,670 78	
Average price per acre.....	3 18	

Remaining unsold June 30 1905.....21,301,110

Operations During the Year—

Sales, acres.....	859.85
Amount sold for.....	\$5,115 00
Average price per acre.....	5 95
Receipts of Land Department.....	132,587 15
Disbursements of Land Department.....	2,367 44
Amount of deferred payments due Company, which are bearing interest at six per cent.....	193,249 67

CHARLES H. BABCOCK,
Land Commissioner.ST. PAUL MINNEAPOLIS & MANITOBA RAILWAY COMPANY'S
SINKING FUND ACCOUNT, CONSOLIDATED
MORTGAGE BONDS.

July 1 1904. By balance to credit of Sinking Fund, as per
 page 38 of last year's report.....\$61,280 94
 June 30, 1905. From Land Department as per Land Com-
 missioner's Report below.....769,658 91
 Revenue Todd County lands.....1,027 99

Total Credits.....\$831,967 84

Debits.
 To Bonds purchased by Trustees and canceled.....834,450 85

Balance, being amount overdrawn by Sinking Fund and tem-
 porarily advanced from current funds, to be repaid out of
 land collections during the fiscal year ending June 30 1906.....\$2,483 01

REPORT OF LAND COMMISSIONER ST. PAUL MINNEAPOLIS &
MANITOBA RY. CO.

To Mr. Louis W. Hill, President,
 St. Paul Minneapolis & Manitoba Ry. Co.

Dear Sir: I respectfully submit the following report of
 operation of the Land Department for the year ended June 30
 1905.

Total acreage of Land Grant computed at ten sections for
each mile of road, as formerly construed by Minnesota.....3,848,000.00

Total acreage of Land Grant, as construed by United States General Land Office.....	3,479,611.36
Total acreage deeded to Company prior to June 30 1905.....	3,224,648.97
Less—Decreed to Northern Pacific RR. Co. by Supreme Court United States, March 2 1891.....	365,860.92
Decreed to Northern Pacific RR. Co. in accordance with terms of settlement of Nov. 1 1897.....	48,956.08
Redeemed to United States.....	4,863.74 419,680.74
Net acreage deeded to Company.....	2,804,968.23
Total acreage sold prior to June 30 1905.....	3,000,598.50
Less sales canceled.....	331,624.52 2,668,973.98

Remaining unsold June 30 1905.....810,637.38

Owing to sales and other disposals of land within the limits of the Grant
 by the United States prior to the time at which this company's right
 attached, a final adjustment of the Grant by the Government, which is
 approaching completion, will reduce the above area by about 650,000
 acres.

During the year ended June 30 1905 3,939.93 acres of land were sold for
 \$44,918 26, an average of \$11 40 per acre. There were sold 52 lots for
 \$3,065 00, an average price per lot of \$58 94.
 The number of land sales during the year was 67, with an average of
 about 58.81 acres to each purchase.

CASH RECEIPTS OF LAND DEPARTMENT FOR THE YEAR
ENDED JUNE 30 1905.

Cash Sales and Instalments of Principal on New Land Con- tracts.....	\$9,108 31
Amount of Principal received on Old Contracts.....	708,881 45
Amount received for Trespass, Stumpage, Grass Sales, etc.....	3,730 74
Amount received for Interest on Old and New Contracts.....	64,807 44
Amount received for Principal and Interest on Town Lot Contracts.....	5,242 32
Less Expenses of Land Department and Trustee.....	\$791,770 26
Net Receipts.....	\$22,111 35

Amount of Deferred Payments due this Company on Land Contracts bearing interest at 6%.....	\$1,422,241 75
Amount of Deferred Payments due this Company on Town Lots bearing interest at 6%.....	6,599 80
	\$1,428,841 55

Referring to that portion of report for the year ended June 30 1893
 relating to lands lying within the limits of the grant on what is now the
 Dakota side of the Red River, the Company has re-conveyed to the United
 States a total of 64,277.92 acres, for which the Company is authorized to
 locate an equivalent amount elsewhere. The Company has selected, to
 June 30 1905, 62,367.39 acres in lieu of a part of the above amount.

The following are the sales during the year of lands so selected:
 259.88 acres for \$2,913 50, an average per acre of.....\$11 21
 Receipts during the year.....\$8,066 96
 Taxes paid, Expenses of Examination and Selection of Land
 and other disbursements made during the year in connec-
 tion with Grant.....5,805 14
 The remaining lands are in process of adjustment with the Government.

CHARLES H. BABCOCK,
Land Commissioner.

CONDENSED GENERAL BALANCE SHEET JUNE 30 1905.

Being a Consolidation of the General Balance Sheets of that Date of the

St. Paul Minneapolis & Manitoba Ry. Co., Great Northern Ry. Co., Eastern Ry. Co. of Minnesota, Montana Central Ry. Co., Willmar & Sioux Falls Ry. Co., Duluth Watertown & Pacific Ry. Co., Seattle & Montana RR. Co., Park Rapids & Leech Lake Ry. Co., Minneapolis Union Ry. Co., Minneapolis Western Ry. Co., Dakota & Great North. Ry. Co., Montana & Great North. Ry. Co. and Duluth Terminal Ry. Co.

Dr		Cr.	
Railway Property.		Capital Stock.	
To Cost of Railway, Equipment and Lands owned by the St. Paul Minneapolis & Manitoba Ry. Co.	\$129,370,062 46	By Authorized Capital Stock of the Great Northern Ry. Co. issuable June 30 1905.....	\$125,000,000 00
Cost of Additions and Improvements made by the Great Northern Ry. Co. to Property leased from the St. P. M. & M. Ry. Co. and paid for from "Fund for Permanent Improvements and Renewals"	8,825,424 36	Less Amount held in Treasury of Company, as explained on page 1249.....	634,375 00
Total Cost to June 30 1905 of Property leased from St. P. M. & M. Ry. Co.	\$138,195,486 82	Capital Stock of Great Northern Ry. Co. Issued and Outstanding.....	\$124,365,625 00
Cost of the following Properties controlled by the Great Northern Ry. Co. through ownership of their entire Share Capital—		Capital Stock of the St. Paul Minneapolis & Manitoba Ry. Co.	\$20,000,000 00
Eastern Ry. of Minnesota—Railway, Equipment, Elevators, etc.	\$29,260,182 24	Less owned by Great Northern Ry. Co. (see contra)	19,640,500 00
Mont. Cen. Ry.—Ry. and Equip.	15,396,342 74	Outstanding	359,500 00
Willmar & Sioux Falls Ry.—Railway, Equipment and Real Estate	9,258,519 02	Total Capital Stock Outstanding in hands of Public	\$124,725,125 00
Dul. Wat. & Pac. Ry.—Railway	2,252,598 91	Funded Debt in Hands of Public.	
Sea. & Mon. RR.—Ry. & Equip.	19,535,215 51	St. Paul Minneapolis & Manitoba Ry. Co.'s Bonds	
Park R. & L. L. Ry.—Ry. & Equip.	1,022,984 99	Principal and Interest of which are guar. by the Great North. Ry. Co.	\$74,107,939 39
Minn. Un. Ry.—Un. Dep. Ry., etc.	3,162,941 66	Bonds of Proprietary Companies, Principal and Interest guaranteed by Great Northern Ry. Co.	26,646,000 00
Minn. West. Ry.—Ry. & Equip.	752,167 48	Total (details on previous page)	\$100,753,939 39
Dak. & Gr. No. Ry.—Railway	2,147,522 55	N. P. G. N. Joint C.	
Mont. & Gr. No. Ry.—Railway	3,178,161 97	B. & Q. Collateral	
(Exclusive of \$6,910,000 00 St. P. M. & M. Ry. Improvement Bonds not shown contra.)		4% Bond and Scrip	\$215,223,200 00
	\$85,966,637 07	Less Northern Pacific Ry. Co.'s Proport'n	107,611,600 00
Cost of Duluth Terminal Ry., the Bonds and entire Capital Stock or Thich are owned by the Eastern Ry. Co. of Minnesota.	396,541 28	Sterling Loan of December 1 1903-1905, £1,500,000@ \$4 86.....	7,290,000 00
	86,363,178 35	Bills and Accounts Payable.....	215,655,539 39
Total Cost of Property of Great Northern Railway Line	\$224,558,665 17		1,030,000 00
Other Properties, Securities and Investments.		Car Trust Obligations.	
Cost of Stock in the L. S. T. & Tr. Co., owned by the E. Ry. Co. of Minn.	\$15,700 00	Car Trust Notes Assumed by the Eastern Ry. Co. of Minnesota, upon purchase of Duluth Superior & Western Terminal Ry. Due August 1 1905 and February 1 1906.....	29,373 74
Cost of Stock of the S. City & West. Ry. Co., owned by W. & W. Ry. Co.	2,500,000 00	Total Capital Liabilities.....	\$341,440,038 13
Wisc. Cen. Ry. Co.'s Minn. Ter. Bonds owned by Minn. Union Ry. Co.	247,500 00	St. P. M. & M. Ry. Co.'s Bonds Redeemed Through Operation of Sinking Funds.	
Cost of Properties and Securities owned by the Great No. Ry. Co.	143,433,038 84	First Mortgage Land Grant Bonds.....	\$5,928,400 00
Total	\$146,196,238 84	Consolidated Mortgage Bonds.....	5,471,000 00
Less Par Value of the following Securities owned by the Great Northern Ry. Co. and not shown contra—			11,399,400 00
The entire Capital Stock of—		Current Liabilities.	
Eastern Ry. of Minn.	\$16,000,000 00	Of Land Department St. Paul Minneapolis & Manitoba Ry. Co.—	
Mon. Cen. Ry. Co.	5,000,000 00	Audited Vouchers Unpaid.....	\$1,632 90
Will. & S. F. Ry. Co.	7,000,000 00	Unpaid Pay Rolls.....	1,427 30
D. W. & P. Ry. Co.	730,000 00	Due to Other Companies and Individuals.....	3,908 33
Sea. & Mon. RR. Co.	14,000,000 00		6,968 53
Park Rapids & Leech Lake Ry. Co.	500,000 00	Of Great Northern Ry. Co. and Proprietary Companies above named—	
Minn. Union Ry. Co.	500,000 00	Audited Vouchers Unpaid.....	\$1,519,916 47
Minn. West. Ry. Co.	250,000 00	Unpaid Pay Rolls.....	1,523,098 71
Dak. & G. Nor. Ry. Co.	2,000,000 00	Unpaid Coupons, including those due July 1 1905.....	1,639,736 86
Mon. & G. N. Ry. Co.	7,000,000 00	Unpaid Dividends Great Northern Ry. Co.'s Stock.....	536,060 00
And the entire issue of Bonds of the Duluth Wat. & Pac. Ry. Co.	1,375,000 00	Unpaid Interest Sterling Loan.....	13,352 85
Park Rapids & Leech Lake Ry. Co.	500,000 00		5,232,164 80
Total	\$54,855,000 00	Deferred Liabilities.	
196,405 Shares of Capital Stock of the St. P. M. & M. Ry. Co.	19,640,555 00	Accrued Taxes not due.....	\$721,940 45
£2,000,000 St. P. M. & M. Ry. Co.'s Pacific Ex. Mtg. Bnds.	9,696,967 70	Bond Interest, Accrued, not due.....	47,316 66
St. P. M. & M. Ry. Co.'s Imp. Bonds	5,000,000 00	Rental of St. P. M. & M. Ry. Co., D. S. & W. T. Co., and Eastern Ry. Co. of Minnesota, Accrued, not due—Less Accrued Dividends on Stocks of those Companies owned by the Great Northern Ry. Co.	308,875 00
Cost of Properties, Securities and Investments after deducting Par Value of Stocks and Bonds not shown contra	57,003,769 14		1,078,132 11
Cost of Securities in hands of Trustee of N. P. G. N. Joint C. B. & Q. Bonds and Scrip, as Collateral (1,076,116 Shares of C. B. & Q. RR. Capital Stock Great Northern Ry. Co. one-half owner)	109,112,909 76	Contingent Liabilities.	
Total Capital Assets	\$390,675,344 07	Cost of Additions and Improvements made by the Great Northern Ry. Co. to Property leased from St. P. M. & M. Ry. Co. and paid for from "Fund for Permanent Improvem'ts and Renewals"	\$8,825,424 36
Current Assets.		Unexpended Balance of "Fund for Permanent Improvements and Renewals"	5,869,683 80
Of Land Department St. Paul Minneapolis & Manitoba Ry. Co.		Total Amount deducted from Income to provide for future Improvements and Renewals	\$14,695,108 16
Cash	\$4,485 32	Fund for Replacement of Equipment	1,199,767 77
Temporary Advances made to Trustee for Redemption of Consolidated Mortgage Bonds to be repaid out of Land Dep. Collections year ending June 30 1906.	2,483 01	Insurance Fund.....	389,329 56
	6,968 53	Surplus Funds of Proprietary Companies deposited with the Great Northern Ry. Co.	8,015,650 35
Of Great Northern Ry. Co. and Proprietary Co.'s above named.			24,209,855 84
Cash in St. Paul Office	\$452,516 48	Profit and Loss.	
Cash in New York Office	4,114,296 07	Balance St. Paul Minneapolis & Manitoba Ry. Co.	\$2,037,211 10
Cash in London Office	282,958 79	Great Northern Ry. Co. and above-named Proprietary Companies..	20,730,358 34
Due from Agents	1,605,914 96		22,767,569 44
Due from U. S. Post Office Dept.	261,423 55		
Due from U. S. Transportation	37,285 51		
Due from Canadian P. O. Dept.	473 24		
Advanced Charges	36,726 42		
Bills Receivable	2,813,106 97		
Other Companies and Individuals	2,567,932 62		
	12,172,634 61		
Value of Material and Fuel on Hand	3,369,181 73		
	\$406,224,128 94		\$406,224,128 94

STATISTICS OF FREIGHT AND PASSENGER TRAFFIC ON SYSTEM (BUT NOT INCLUDING SPOKANE FALLS & NORTHERN RY. SYSTEM) FOR THE YEAR ENDED JUNE 30TH 1905, COMPARED WITH THE PREVIOUS YEAR.

Description.	1905.	1904.	Increase.	
			Amount.	Per Cent.
Freight Traffic—				
Mileage of Freight Trains.....	7,398,689	6,963,249	435,440	6.2534
Mileage of Mixed Trains.....	581,311	528,411	52,900	10.0111
Total	7,980,000	7,491,660	488,340	6.5184
Mileage of Locomotives employed in "helping" Freight and Mixed Trains.....	188,313	204,670	16,357	Decr ease 7.9919
Percentage of "helping" to Revenue Train Mileage.....	2.3598	2.7320	3.3495	Inc ease
Mileage of Loaded Freight Cars.....	208,509,803	185,538,037	22,971,766	12.3812
Mileage of Empty Freight Cars.....	89,669,939	71,243,067	18,426,872	25.8648
Total Car Mileage	298,179,742	256,781,104	41,398,638	16.1222
Tons of Freight Carried, Revenue.....	17,535,789	14,245,129	3,290,660	23.1002
Company.....	2,071,507	2,323,491	251,984	Decr ease 10.8451
Total	19,607,296	16,568,620	3,038,676	18.3399
Tons of Revenue Freight Carried One Mile.....	4,170,160,658	3,351,802,089	818,358,569	24.4155
Total Tons Carried One Mile (Revenue and Company Freight).....	4,600,809,944	3,776,116,879	824,693,065	21.8397
Earnings from Freight Traffic.....	\$33,512,743 53	\$30,391,866 97	\$3,120,876 56	10.2688
Averages—				
All Cars Hauled per Freight Train Mile.....	37.37	34.28	3.09	9.0140
Tons Revenue Freight Hauled per Train.....	522.576	447.404	75.172	16.8018
Tons Revenue Freight Hauled per Loaded Car.....	20.000	18.065	1.935	10.7113
Earnings per Freight Train Mile.....	\$4.20	\$4.06	.14	3.4483
Earnings per Ton per Mile.....	Cents .792	Cents .893	Cents .101	11.3102
Passenger Traffic—				
Mileage of Passenger Trains.....	6,617,297	6,528,000	89,297	1.3679
Mileage of Locomotives Employed in "helping" Passenger Trains.....	29,719	60,652	30,933	Decr ease 51.0008
Percentage of "helping" to Revenue Train Mileage.....	0.4491	0.9291	34.6405	Inc ease
Passengers Carried.....	4,711,234	4,423,551	287,683	6.5034
Passengers Carried One Mile.....	335,524,414	325,743,218	9,781,196	3.0027
Earnings of Passenger Trains.....	\$9,979,757.58	\$9,639,931.62	\$339,825.96	3.5252
Averages—				
Earnings per Passenger Train Mile.....	\$1.5081	\$1.4767	.0314	2.1264
Earnings per Passenger per Mile.....	Cents 2.384	Cents 2.378	Cents .006	0.2523
Total Trains—				
Mileage of Freight and Passenger Trains.....	14,597,297	14,019,660	577,637	4.1202
Earnings from Freight and Passenger Trains.....	\$43,492,501.11	\$40,031,798.59	\$3,460,702.52	8.6449
Earnings per Train per Mile.....	2.98	2.86	.12	4.1958
Expenses per Train per Mile.....	1.47	1.47	—	—
Net Traffic Earnings per Train per Mile.....	1.51	1.39	.12	8.6331

71 Note.—The Train, Locomotive and Car Mileage figures given above have been compiled and all computations based upon them made in accordance with the rules of the Inter-State Commerce Commission.

THE CHICAGO ROCK ISLAND & PACIFIC RAILWAY COMPANY.

EXTRACTS FROM THE TWENTY-FIFTH ANNUAL REPORT—FOR THE FISCAL YEAR ENDED JUNE 30 1905.

To the Stockholders of Chicago Rock Island & Pac. Ry. Co.

The Board of Directors herewith submit their report of the operations and affairs of the Chicago Rock Island & Pacific Railway Company for the fiscal year ended June 30 1905. Included therein are the operations and affairs of the operated lines and auxiliary companies forming the Rock Island System.

The lines included in this report and miles of track operated as of June 30 1905 are as follows:

Lines Operated—	Miles of Road.	Miles Second and Third Track.	Miles Sidings.
Chi. R. I. & Pac. Ry. Co.....	6,705.33	288.00	1,430.14
Chi. R. I. & El Paso Ry. Co.....	111.50	—	15.84
Chi. R. I. & Gulf Ry. Co.....	388.51	—	59.53
Total	7,205.34	288.00	1,505.51

Average mileage operated during the year, 7,231 91.

INCOME ACCOUNT.

Year Ended June 30, 1905, Compared with Previous Year.

	1904-05.	1903-04.	Inc. (+) or Dec. (—).
Average mileage operated ..	7,231.91	7,205.14	+26.77
Earnings—			
Freight.....	29,662,386 08	31,167,006 12	—1,504,620 04
Passenger.....	12,050,781 44	11,697,033 15	+353,748 29
Mail.....	1,145,768 07	1,137,272 14	+8,495 93
Express.....	1,069,473 08	789,366 01	+280,107 07
Miscellaneous.....	123,100 47	178,814 00	—55,713 53
Total	44,051,509 14	44,969,491 42	—917,982 28
Operating expenses—			
Maint. of way & structures.....	5,818,982 27	6,848,127 02	—1,029,144 75
Maintenance of equipment.....	5,763,117 17	5,119,993 98	+643,123 19
Conducting transportation.....	18,094,072 60	18,355,824 57	—261,751 97
General expenses.....	1,382,037 22	1,450,947 72	—68,910 50
Total	31,058,209 26	31,774,893 29	—716,684 03
Net earnings	12,993,299 88	13,194,598 13	—201,298 25
Other income	1,526,171 89	1,333,833 65	+192,338 24
Total income	14,519,471 77	14,528,431 78	—8,960 01
Taxes	1,609,989 61	1,437,577 76	+172,411 85
Interest and rentals	8,176,372 99	7,062,655 70	+1,113,717 29
Total charges	9,786,362 60	8,500,233 46	+1,286,129 14
Available for dividends	4,733,109 17	6,028,198 32	—1,295,089 15
Dividends	4,676,622 00	5,985,060 00	—1,308,438 00
Surplus	56,487 17	43,138 32	+13,348 85

Rock Island System—Dividends Paid During Year Ended June 30 1905.

Dividend No. 98, 2¼ per cent paid October 1904.....	\$1,683,324 00
Dividend No. 99, 2 per cent paid January 1905.....	1,496,648 00
Dividend No. 100, 2 per cent paid April 1905.....	1,496,650 00

Total.....\$4,676,622 00

GROSS EARNINGS.

Gross earnings decreased \$917,982 28, or 2 per cent.

While there was a decrease of \$1,504,620 04, or 4.8 per cent in freight earnings, this was partially offset by the increase in passenger and express earnings.

The heavy decreases were in grain, flour, live stock, bituminous coal, coke, products of the forest, and merchandise. The decrease in grain tonnage was in consequence of the very light wheat crop in Kansas and Oklahoma. This was also the immediate cause of the decrease in flour tonnage, and the indirect cause of losses in other commodities. Increases in tonnage of cotton, fruit, vegetables, other agricultural products, meats, anthracite coal, sand, stone, and like articles; also manufactured articles and miscellaneous car-load commodities, were not sufficient to overcome the heavy decreases in the commodities mentioned.

Gross earnings for the months of January and February combined show a decrease of \$632,729 14, or about two-thirds of the entire decrease for the year. In those months the extremely unfavorable weather conditions, almost without precedent, caused serious and costly interruption of traffic.

Passenger earnings increased \$353,748 29, or 3 per cent; express earnings increased \$280,107 07 or 35.5 per cent; miscellaneous earnings decreased \$55,713 53.

CAPITAL STOCK.

The capital stock of the Chicago Rock Island & Pacific Railway Company outstanding at the close of the last fiscal year was \$74,818,100, which has been increased during the year by the issue of \$24,500 in exchange for a like amount of capital stock of the Burlington Cedar Rapids & Northern Railway Company.

The amount of capital stock shown on General Balance Sheet as outstanding June 30 1905 represents:

Capital stock of The Chicago Rock Island & Pacific Railway Company issued and outstanding.....\$74,842,600 00
Capital stock of the Burlington Cedar Rapids & Northern Railway Company and Rock Island & Peoria Railway Company outstanding, for the purpose of taking up which there is reserved a like amount of the capital stock of The Chicago Rock Island & Pacific Railway Co.... 157,400 00

Total authorized capital stock of The Chicago Rock Island & Pacific Railway Company.....\$75,000,000 00

FUNDED DEBT.

The system funded debt as of June 30 1904 was.....\$151,117,000
This has been increased during the year by the issue of The Chi. R. I. & Pac. Ry. Co.'s first and refunding mortgage gold bonds, viz:

Against the acquisition of securities—
187,900 shares of the stock of
The Chi. & Alton Ry. Co.....\$10,000,000
Equipment gold bonds of the
Rock Island Improv'm't Co.... 4,500,000 \$14,500,000

For additions, improvements and equipment,
1905 fund..... 2,500,000

For an equal amount of general mortgage gold bonds, issued January 1 1905, for additions and improvements, said general mortgage gold bonds having been deposited with trustee of first and refunding gold bond mortgage
For redemption of matured obligations—

Collateral trust notes of D. R. Francis and John Scullin..... \$4,500,000
The Chi. R. I. & Pac. Ry. Co. gold bonds of 1902, series B, matured May 1 1904—reimbursements of cash expended for
The Chi. R. I. & Pac. Ry. Co. gold bonds of 1902, series C, matured May 1 1905..... 1,494,000

Choc. Ok. & Gulf RR. Co.'s equipment trust notes, matured as follows—
Oct. 1 1904 Series "A".....\$50,000
Aug. 1 1904 Series "B"..... 70,000
Feb. 1 1905 Series "B"..... 70,000
Apr. 1 1905 Series "C"..... 410,000 6,414,000

and has been reduced by the redemption of matured obligations as follows:

The Chi. R. I. & Pac. Ry. Co.'s gold bonds of 1902 matured May 1 1905..... \$1,494,000
Choc. Ok. & Gulf RR. Co. equipment trust notes as above..... 410,000
Little Rock Bridge Co. bonds..... 20,000 1,924,000

Net increase in funded debt..... 22,490,000

Amount of system funded debt June 30 1905.....\$173,607,000

STOCKHOLDERS' IMPROVEMENT LOAN.

In 1885 your Board of Directors transferred from income account to the credit of Addition and Improvement account the sum of \$750,000. Thereupon the Chicago Rock Island & Pacific Railway Company issued its Addition and Improvement Bond No. 5, wherein the Company acknowledged itself to be indebted to the then Treasurer of the Company, and to his successor and successors as such Treasurer, as Trustee, in the sum of \$750,000, which sum it promised to pay twenty years thereafter with lawful money of the United States, or with full paid shares of capital stock, as the Company should at the time elect. The bond further provided that when the same should be paid the proceeds of said payment should be distributed to those who should at the time be stockholders of the Company, in the proportion which the number of shares held by them severally should at the time bear to the whole number of shares of capital stock of the Company then outstanding. This bond was of like tenor with four other bonds previously issued, aggregating \$7,000,000, all of which were paid by the Company by the distribution to stockholders on July 1 1898 of shares of capital stock aggregating ten per cent of the then holdings of all stockholders, and by the payment for the period from July 1 1898 to January 1 1903 of a special quarterly dividend of one-fourth of one per cent on the capital stock then outstanding.

In 1886 there was likewise transferred from income account to Addition and Improvement fund the further sum of \$463,000. This amount, plus certain small unpaid balances upon Addition and Improvement Bonds Numbers 1 to 4 and plus the face amount of Addition and Improvement Bond No. 5, constitutes the item appearing in the balance sheet of your Company as of June 30 1904, "Stockholders' Improvement Loan \$1,222,941."

In accordance with a resolution adopted by your Executive Committee at a meeting held on June 5 1905, the amount of the foregoing Addition and Improvement Bond No. 5, \$750,000, and the further sum of \$463,000 so transferred from income account to Addition and Improvement fund, plus the small unpaid balances, a total of \$1,222,941, was on June 17 1905 paid to the stockholders of The Chicago Rock Island & Pacific Railway Company as of record June 16 1905. The amount so distributed was equivalent to 1.63 per cent of the capital stock of the Company.

NEW LINES OPENED FOR OPERATION AND CHANGES IN MILEAGE OPERATED.

Since the last report, changes in operated system mileage have been made as follows, resulting in a net decrease in mileage operated of 53.58 miles.

By The Chicago Rock Island & Pacific Railway Company—

DeValls Bluff, Arkansas, to Des Arc, Arkansas, 13.63 miles, opened for operation November 28 1904.

Spurs to coal mines on lines of Choctaw District increased 3.16 miles by additional construction.

Mileage increased through re-measurement of track, 5.50 miles.

Gowrie, Iowa, to Ruthven, Iowa, and Tara, Iowa, to Fort Dodge, Iowa, 77.70 miles, relinquished through lease expired December 31 1904.

By The Chicago Rock Island & Gulf Railway Company—

Correction in mileage, Bridgeport, Texas, to Graham, Texas, by including spur to coal mines at Bridgeport, increase 1.83 miles.

De Valls Bluff, Ark., to Des Arc, Ark.

Active construction of this line was begun on June 21 1904, and the road was completed and placed in operation on November 28 1904, thus affording a direct connection between the main line of the Choctaw District and the line of road from Des Arc to Searcy, Ark., purchased from the Searcy & Des Arc Railroad Company on March 24 1904. The road so constructed is 13.63 miles in length, is laid with 67-pound steel rails on oak ties, on a virtual grade of three-tenths of one per cent.

Gowrie, Iowa, to Ruthven, Iowa, and Tara, Iowa, to Ft. Dodge, Iowa.

The lease under which The Chicago Rock Island & Pacific Railway Company operated the railway of the Des Moines & Ft. Dodge Railroad Company, extending from Valley Junction, near Des Moines, to Ruthven, Iowa, and from Tara to Ft. Dodge, Iowa, expired on December, 31 1904.

As of midnight on that date the property was relinquished and restored to the owners in accordance with the terms of the contract.

A new contract, effective January 1 1905, was entered into with the Des Moines & Ft. Dodge Railroad Company for the joint use of the line between Valley Junction, near Des Moines, and Gowrie. This latter contract contains the usual provisions for the payment of the rental, taxes and proportion of expenses of operation and preserves a through line from Des Moines to Gowrie and points northwest thereof.

SYSTEM MILEAGE UNDER CONSTRUCTION.

By The Chicago Rock Island & Pacific Railway Company—

Haileyville, I. T., to Wilburton, I. T.11.13 miles
Coalgate, I. T., to Lehigh, I. T. 6.62 miles

By The St. Louis Kansas City & Colorado Railroad Company and the Kansas City-Rock Island Railway Company—

St. Louis, Mo., to Kansas City, Mo., and Spurs304.41 miles

By The Chicago Rock Island & Gulf Railway Company—

Amarillo, Texas, to Texas-New Mexico boundary69.87 miles

By The Chicago Rock Island & El Paso Railway Company—

Texas-New Mexico boundary to Tucumcari, N. M.41.12 miles

By The Little Rock & Southern Railroad Company—

Traskwood, Ark., to Eldorado, Ark., and Crossett, Ark.143.10 miles

576.15 miles

Haileyville, I. T., to Wilburton, I. T.

Five and one-half miles at the easterly end, and approximately five miles at the westerly end, ballasted, surfaced and in service handling the traffic of the coal properties located thereon, are included in the mileage under operation.

Coalgate, I. T., to Lehigh, I. T.

This branch is under construction from Coalgate, I. T., a point on the Ardmore branch, Choctaw District, to Lehigh, I. T., a distance of 6.62 miles, where connection is made with the tracks of the Atoka Mining Company. It is expected to place the branch in operation before the close of the calendar year.

To June 30 1905 \$16,215 72 has been expended in construction, and it is estimated that a further expenditure of \$43,640 00 will be necessary for completion.

St. Louis, Mo., to Kansas City, Mo.

This line, extending from St. Louis to Kansas City, was partially opened for traffic on July 1 1904. During fiscal year there have been expended for additional construction, ballasting, etc., \$1,711,891 05.

The results of the operation of The St. Louis-Kansas City Line are not included in the income account and statistics shown in this report, the line being operated during the fiscal year by the St. Louis Kansas City & Colorado Railroad Company, for account of construction.

Amarillo, Texas, to Tucumcari, N. M.

No work has been done on this line during the fiscal year.

Traskwood, Ark., to Eldorado and Crossett, Ark.

Active construction of this line, running from a point 3.58 miles north of Traskwood, Ark., on the Hot Springs branch, to Crossett, Ark., 107.50 miles, with a branch from Summerville to Eldorado, Ark., 35.60 miles, total 143.10 miles, was commenced on March 27, 1905. The line will run through a timber country, will reach extensive lumber mills and will develop a large traffic in that commodity. Connection will be made at Eldorado with the tracks of the Arkansas Southern Railroad.

To June 30 1905 \$138,324 10 had been expended, and it is estimated that \$2,769,615 00 additional expenditure will be necessary to complete. The work is being prosecuted vigorously, with a view of having the line completed for operation in January 1906.

EQUIPMENT.

During the fiscal year the following new locomotives were acquired and placed in service:

- 10 Atlantic type passenger engines,
- 20 Pacific type passenger engines,
- 15 Ten-wheel freight engines, and
- 20 Switch engines.

There has been an increase in available tractive power of 1,695,025 pounds. Contracts have been made for delivery within the calendar year of two balanced compound passenger, thirty-eight freight and ten switch engines.

Liberal expenditures have been made in the maintenance and betterment of existing power, the average amount expended per locomotive being \$2,404 41.

New cars were placed in service as follows: 10 chair cars, 10 first-class passenger coaches, 7 combination cars, 6 postal cars, 1,500 refrigerator cars, 500 box cars, 500 furniture cars, 475 coal cars, 22 cabooses, 250 Hart convertible ballast cars, 20 Ingoldsby dump cars, 1 steam wrecking crane and 1 portable derrick.

Of the new equipment, 10 Atlantic type passenger engines, 20 Pacific type passenger engines, 20 switch engines 10 chair cars, 10 passenger coaches, 7 combination cars, 2 postal cars, 1,500 refrigerator cars, 500 box cars, 500 furniture cars, 475 coal cars, 20 Ingoldsby dump cars, and 250 Hart convertible ballast cars were acquired subject to \$4,500,000 of 4½ per cent car trust notes issued by the Rock Island Improvement Company, owner of said equipment, all of which notes as and when issued are, or will be, owned by The Chicago Rock Island & Pacific Railway Company.

The average expenditure per car for maintenance was \$713 71 for passenger; \$49 43 for freight, and \$56 52 for work cars.

Contracts have been placed for the delivery within the calendar year of 10 chair, 2 dining, 1 official and 32 miscellaneous passenger cars, 500 box, 326 Ingoldsby dump, 25 stock, 200 flat, 25 caboose, 1 scale testing car and 2 steam wrecking cranes.

DEVELOPMENT OF INDUSTRIES.

The promotion of industrial development along the line of your road has been the subject of continued attention. Many new industries have been located, and considerable effort directed towards improving the agricultural methods throughout the farming regions tributary to your rails. During the year your company constructed, or made additions to, 124 side tracks to private industries; also a number of coal spurs and extensions were constructed.

GENERAL.

During the year your company acquired 44,700 shares of the preferred stock and 143,200 shares of the common stock of The Chicago & Alton Railway Company, being something less than one-half of the issued and outstanding stock of that company. It is believed that this interest will prove a profitable investment by way of securing an advantageous interchange of traffic and mutual co-opera-

tion between The Chicago & Alton and your owned and affiliated properties.

Your company acquired, during the year, all of the issued and outstanding capital stock of the Arkansas Southern Railroad Company, a corporation consolidated under the laws of Louisiana and Arkansas, and owning and operating 101 miles of railroad, extending from a point near Winnfield, Louisiana, to Eldorado, Arkansas, to which latter point the Little Rock & Southern Railroad (referred to before in this report) is now under construction. The cost of this acquisition is included on the general balance sheet in item "Advances for construction and equipment."

This line serves a lumber territory, and the product of the several mills now moves via rails of its present connecting lines. After the junction is effected at Eldorado, a considerable portion of this tonnage can be controlled for movement via Sytem Lines.

The operation of the Arkansas Southern Railroad Company for the fiscal year ended June 30 1905, resulted as follows:

Gross earnings	\$458,847 30
Operating expenses	242,289 35
Net earnings	216,557 95
Miscellaneous income	905 87
Interest and taxes	70,543 17
Surplus	146,929 65

Out of the surplus a dividend of \$126,200 was declared and paid, all of which was received by your company.

Your company also acquired during the year \$2,500,000 of the 5 per cent bonds and \$2,400,000 of the capital stock of the Consolidated Indiana Coal Company, a Maine corporation, owning valuable coal properties, aggregating about 21,960 acres, on the line of the E. & T. H. RR. Co. in Sullivan County, Indiana, of the C. & E. I. RR. Co. in Franklin County, Illinois, and of your company in Dallas County, Iowa. The future coal supply of your lines has thus been safeguarded, while the traffic of your lines and those of its affiliated companies promises to be benefited by this ownership. The bonds of the Coal Company have been marketed, your company for that purpose guaranteeing the interest thereon.

B. L. WINCHELL,
President.

October 1905.

ROCK ISLAND SYSTEM—PROFIT AND LOSS.

Balance as of June 30 1904	\$24,500,857 86
Surplus income for year	56,487 17
Interest accrued prior to July 1 1904 on loans to subsidiary and construction companies	267,584 30
	24,824,929 33
Less—	
Discount and expenses in connection with first and refunding mortgage bonds issued	\$3,177,251 12
Taxes accrued prior to July 1 1904	669,236 02
Depreciation on tracks, structures and equipment, removed, sold or destroyed—cost deducted from capital account	
Tracks	\$13,740 27
Structures	24,645 76
Equipment	979,845 08
	1,018,231 11
Sundry items of loss not chargeable to current year's income	281,223 59
	5,145,941 84
Profit and loss as of June 30 1905	\$19,678,987 49

ROCK ISLAND SYSTEM—GENERAL BALANCE SHEET JUNE 30 1905.

ASSETS.		LIABILITIES.	
Capital Assets:		Capital Liabilities—	
Property and franchises	\$217,434,691 71	Capital stock	\$75,000,000 00
a Advances for construction and equipment	19,778,826 67	Funded debt (exclusive of first and refunding mortgage gold bonds issued and held in treasury)	162,357,000 00
Stocks and bonds of auxiliary companies	597,812 00	Three year notes, due July 1, 1907	7,500,000 00
Stock of Chicago and Alton Railway Co.	9,263,922 15		\$244,857,000 00
	\$247,075,252 53		
First and refunding mortgage gold bonds held in the treasury	\$11,250,000 00	First and refunding mortgage gold bonds issued and held in the treasury	\$11,250,000 00
Current Assets—		Current Liabilities—	
Cash	\$8,720,513 68	Unpaid vouchers and accounts	\$2,138,581 33
Agents and conductors	1,718,614 62	Unpaid wages	1,915,230 50
Companies and individuals	2,827,658 69	Traffic and mileage balances	389,338 39
Loans and bills receivable	1,002,835 21	Matured interest and rentals (payable July 1 1905)	2,041,764 00
United States Government	313,980 45		\$6,484,914 22
Express companies	98,586 37	Deferred Liabilities—	
Rock Island Improvement Co. equipment trust notes	3,895,000 00	Interest accrued (not due)	\$711,847 50
Treasury securities	2,188,994 51	Taxes accrued (not due)	1,013,556 06
Material, fuel and supplies	5,403,928 66	Rentals accrued (not due)	171,622 40
	\$25,870,112 19	Keokuk & Des Moines Ry. Co.—account equipment	197,562 25
		White and Black River Valley Ry. Co.—account equip.	25,170 00
Deferred Assets—			\$2,119,758 21
Unadjusted accounts	\$758,215 12	Insurance fund	\$304,902 74
		Hospital fund	32,542 22
		Equipment replacement fund	225,474 96
		Profit and loss	19,678,987 49
	\$284,953,579 84		\$284,953,579 84

a Principally on account of St. Louis-Kansas City line.

In stating the assets and liabilities of the companies forming the system, the holdings of The Chicago Rock Island & Pacific Railway Company in the bonds and capital stock of the auxiliary lines, together with loans between system companies, have been eliminated from the liabilities and a like reduction made in the value of the assets; the figures shown, therefore, represent the value of the assets and the liabilities without duplication.

ROCK ISLAND SYSTEM—SUMMARY OF FINANCIAL CHANGES, YEAR ENDED JUNE 30 1905.

RESOURCES.			
Cash on hand June 30 1904.....			\$9,067,261 69
Funded debt increased.....		\$22,490,000 00	
First and refunding mortgage gold bonds in treasury decreased.....		8,024,000 00	\$30,514,000 00
Changes in current accounts, as follows—			
<i>Decrease in Assets—</i>			
Loans and bills receivable.....	\$3,243,803 30		
Due from United States Government.....	980 21		
Material, fuel and supplies.....	183,080 03	\$3,427,863 54	
<i>Increase in Liabilities—</i>			
Equipment of leased roads.....	\$222,732 25		
Unpaid wages.....	386,568 76		
Traffic and mileage balances.....	60,486 43		
Matured interest and rentals.....	106,943 00		
Interest accrued (not due).....	252,153 33		
Taxes accrued (not due).....	652,484 62		
Rentals accrued (not due).....	26,225 34		
Hospital fund.....	1,232 55	1,708,826 28	
		\$5,136,689 82	
<i>Increase in Assets—</i>			
Due from agents and conductors.....	\$73,883 78		
Due from companies and individuals.....	255,777 95		
Due from express companies.....	23,259 73		
Unadjusted accounts—balance.....	298,248 55		
	\$651,170 01		
<i>Decrease in Liabilities—</i>			
Unpaid vouchers and accounts.....	441,966 21		
Dividends payable July 1 1904.....	1,309,250 25		
Unclaimed coupons and dividends (old).....	20,612 17		
Insurance fund.....	70,306 47		
Equipment replacement fund.....	414,866 46		
	\$2,257,001 56	2,908,171 57	2,228,518 25
Total to be accounted for.....			\$41,809,779 94
APPLIED AS FOLLOWS—			
Property and franchises.....			\$1,113,422 04
Advances for construction and equipment.....			2,636,542 64
Stocks and bonds of auxiliary companies.....			16,000 00
Stock—Chicago & Alton Railway Company.....			9,263,922 15
Equipment trust notes—Rock Island Improvement Co.....			3,895,000 00
Treasury securities.....			619,568 00
Collateral trust notes.....			4,500,000 00
Temporary loan, paid April 1 1905.....			5,000,000 00
Stockholders improvement loan paid.....			1,222,941 00
Net charge to profit and loss account.....			4,821,870 37
			33,089,266 26
Balance, cash on hand June 30 1905.....			\$8,720,513 68

ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY.

EXTRACTS FROM THE NINTH ANNUAL REPORT—FOR THE FISCAL YEAR ENDED JUNE 30TH 1905.

To the Stockholders:

The following report shows the results of operation of the lines constituting the St. Louis & San Francisco Railroad System (exclusive of the Chicago & Eastern Illinois RR.), as well as the financial and physical conditions thereof, for the fiscal year ended June 30 1905.

The mileage of the System is as follows:

MILEAGE OPERATED.			
	Main Line	Side Tracks	Trunk, Second and Switches.
By St. Louis & San Francisco Railroad Co.—			
St. Louis & San Francisco RR., Main Line and Branches.....	2,855.06	16.55	572.10
Kan. City Ft. Scott & Memphis Ry., Main Line and Branches.....	915.18	23.90	352.66
Kansas City Memphis & Birmingham RR., Main Line and Branches.....	285.66	---	83.38
Total.....	4,055.90	40.45	1,008.14
By other Companies in System under their own organizations.....			
St. Louis Memphis & Southeastern RR.....	681.10	---	104.28
Ft. Worth & Rio Grande Ry.....	195.88	---	27.46
St. Louis San Francisco & Texas Ry.....	124.61	---	39.71
Paris & Great Northern RR.....	16.94	---	6.40
Birmingham Belt RR.....	---	---	21.17
Total at June 30 1905.....	5,074.43	40.45	1,207.16
Total at June 30 1904.....	4,349.35	40.45	1,106.61
Increase.....	725.08	---	100.55

The average mileage operated during the year was 5,030.45 miles, as against 4,216.88 for the preceding year an increase of 813.57 miles, or 19.3 per cent.

On January 1st 1905 the Company assumed trackage rights for its freight trains over the Mobile & Ohio and New Orleans & Northeastern Railways, between Tupelo, Miss., and New Orleans, La., 338.45 miles, under agreements with those two Companies; also equal rights with the Southern Railway Company over the tracks and property of the New Orleans Terminal Company.

The net results from the operation of freight trains over tracks, Tupelo to New Orleans, as well as this Company's proportion of the net results from operation of the completed parts of the property of the New Orleans Terminal Company, are not included in any of the statistical statements of this report, but are included in Income Account in the charge for "Rentals."

A statement of mileage owned and operated in detail is given on pages 73 to 75 inclusive (see pamphlet report.)

A comparison of the various classes of Earnings and Operating Expenses with those of the preceding year is as follows:

	1905.	1904.	Inc. or Dec.	P.C. of Inc. or Dec.
Gross Earnings—				
Freight.....	\$20,111,455 45	\$18,776,231 27	\$1,335,224 18	7.11
Passenger.....	7,647,577 55	5,982,083 13	1,665,494 42	27.84
Mail.....	678,725 66	620,320 26	58,405 40	9.42
Express.....	871,836 84	762,469 28	109,367 56	14.34
Miscellaneous.....	648,644 26	755,627 35	dec. 106,983 09	dec. 14.16

Total Earnings from operation \$29,958,239 76 \$26,896,731 29 \$3,061,508 47 11.38

The decrease in Miscellaneous Earnings was caused, partly, by items of rentals of tracks having been credited this fiscal year to Miscellaneous Income, while in the preceding year such items were credited to Miscellaneous Earnings, and partly by reduction in the amount of the Memphis Bridge tolls collected from other Railroad Companies.

The gross earnings per mile of road operated in 1905 were \$5,955 38, as against \$6,378 35 in preceding year; a decrease of \$422 97, or 6.63 per cent. This decrease was caused by the added new mileage, which traverses a comparatively undeveloped territory.

	1905.	1904.	Increase.	P.C. of Increase.
Operating Expenses—				
Maint. Way & Struct.....	\$3,592,174 25	\$3,131,141 18	\$461,033 07	14.70
Maintenance of Equipment.....	3,530,357 39	3,414,327 59	116,029 80	3.40
Conducting Trans.....	11,163,559 49	10,310,041 95	853,517 54	8.28
General Expenses.....	1,010,925 72	900,741 27	110,184 45	12.23

Total Operating Expenses \$19,297,016 85 \$17,756,251 99 \$1,540,764 86 8.70

The following are the percentages of the different Operating Expense Accounts to Earnings, also percentages of each class of Expenses to Total Expenses and comparison with previous year:

	Percentages of Earnings.	Percentages of Total Expenses.
	1905.	1904.
Maintenance of Way and Structures.....	11.99	11.64
Maintenance of Equipment.....	11.78	12.69
Conducting Transportation.....	37.26	38.34
General Expenses.....	3.37	3.35
Totals.....	64.40	66.02

The following are the Operating Expenses per mile of road and comparison with preceding year:

	1905.	1904.
Maintenance of Way and Structures.....	\$714 08	\$742 53
Maintenance of Equipment.....	701 80	809 68
Conducting Transportation.....	2,219 20	2,444 98
General Expenses.....	200 96	213 60
Total.....	\$3,836 04	\$4,210 76

The decrease in Operating Expenses per mile was \$374 72 or 9.77 per cent.

The net Earnings from Operation increased \$1,520,743 61, or 17.4 per cent.

Taxes increased \$145,937 22, or 21 per cent over preceding year.

FINANCIAL.

Capital Stock.

There was no change in the capital stock of the Company during the fiscal year. The amount authorized and issued is as follows:

	Authorized.	Issued.
First preferred.....	\$5,000,000 00	\$5,000,000 00
Second preferred.....	31,000,000 00	16,000,000 00
Common.....	64,000,000 00	29,000,000 00
Totals.....	\$100,000,000 00	\$50,000,000 00

There was also no change in the treasury holdings of the capital stock issued, and which are as follows:

First preferred.....	\$6,535 10
Second preferred.....	53 00
Common.....	149 60
Total.....	\$6,737 70

There was a reduction during the year of \$1,210,700 in the capital stock of the auxiliary companies outstanding, being capital stock of the Ft. Worth & Rio Grande Railway Company which was canceled at the request of the Railroad Commission of Texas.

The Company issued during the year \$3,030,000 of its preferred 4% stock trust certificates to cover an additional 20,200 shares of Chicago & Eastern Illinois Railroad Company preferred stock required.

In April 1905, by urgent request of the holders of a large amount of the stock trust certificates issued by this company in respect of common stock of Chicago & Eastern Illinois RR. Co., the Company offered to exchange said certificates, which were based upon the number of shares of common stock deposited, for new certificates based on the redemption value of said shares, said new certificates to be in the denomination of One Thousand Dollars (\$1,000) each, to represent the deposit of four shares of the common stock of the Chicago & Eastern Illinois RR. Co.

Holders of a large majority, in face amount, of the old certificates having accepted said offer, a supplementary agreement between St. Louis & San Francisco RR. Co. and Colonial Trust Company was executed under date April 27 1905, and certificates in the new form are now being issued upon the presentation and surrender of the old certificates.

This change does not alter the conditions of the original trust agreement of October 1 1902.

The purchase by this company of the capital stock and first mortgage four per cent bonds of Arkansas Valley & Western Railway Co. was noted in the last annual report.

The deferred payments on account of this purchase, as shown on the balance sheet, amounted to \$3,600,000, secured by the entire issue of the stock and first mortgage bonds of the Arkansas Valley & Western Ry. Co. (\$4,500,000 of each). In order to provide for the deferred payments, this Company executed a trust agreement dated February 1 1905 with Bankers' Trust Co., to secure an issue of its seven-year four and one-half per cent gold notes, to an aggregate amount of \$4,500,000, and deposited as collateral thereto all of the stock and bonds of the Arkansas Valley & Western Railway Company above described. The seven-year four and one-half per cent gold notes are subject to redemption, or delivery, at par and accrued interest, at the office of the Railroad Company, on any interest day, on ninety days' notice.

\$4,000,000 of these notes have been issued and sold, and the liability on deferred payments has been liquidated. The remaining \$500,000 are reserved for Additions and Improvements upon the Arkansas Valley & Western Railway, including additional equipment.

During the fiscal year all of the floating debt of the Company was paid, also the following temporary loans and deferred payments, viz.:

Five per cent notes due April 1 1906.....	\$3,500,000
Deferred payments Ozark & Cherokee Central Ry.....	1,980,000
Deferred payments Arkansas Valley & Western Ry.....	3,600,000
	<u>\$9,080,000</u>

Franchises and Property Account.

The net amount added to franchises and property account during the fiscal year was \$21,968,767 47. For details of this amount see table on page 26 of pamphlet report.

NEW MILEAGE.

The new mileage completed during the fiscal year was as follows:

Bonnaville & Southeastern Railroad.

This is a branch of the Kansas City Fort Scott & Memphis Railway and extends from Bonnaville, Ark., in a south-westerly direction, a distance of 32.58 miles. It was built to open up a vast lumber district in Southeastern Arkansas, and was finished on June 30 1905.

Tyroneza Central Railroad.

This is another branch of the Kansas City Fort Scott & Memphis Railway, and extends from Tyroneza, Ark., in a northeasterly direction a distance of 11.4 miles. It opens up a valuable lumber traffic in Northeastern Arkansas, and was completed on June 30 1905.

St. Louis Memphis & Southeastern Railroad.

The mileage of the St. Louis Memphis & Southeastern Railroad, amounting to 681.10 miles, reference to the completion of which was made in last annual report, was taken into the System mileage on July 1st 1904.

The mileage of the St. Louis Memphis & Southeastern Railroad and that of the two branches referred to above make up the total increase in main track mileage added during the fiscal year.

By authority of an Act of the Texas Legislature, approved March 30 1903, the following roads in the State of Texas, formerly operated independently, were purchased during the year by the "St. Louis San Francisco & Texas Railway Company," viz.:

Red River Texas & Southern Railway.....	87.34 miles
Blackwell Emid & Texas Railway.....	12.75 "
Oklahoma City & Texas Railroad.....	8.68 "
Total.....	108.77 miles

TRACK.

9,095.80 tons of new steel rail of the following weights were laid in track during the fiscal year, viz.:

7,268.82 tons of 85-lb.
4.32 tons of 80-lb.
1,100.98 tons of 75-lb.
667.48 tons of 65-lb.
54.20 tons of 60-lb.

as against 11,775 tons laid during the preceding year.

1,522,812 new cross-ties and 589 sets of switch ties were placed in track during the year, as against 1,138,509 new cross-ties and 684 sets of switch ties laid in track during the preceding year.

100.55 miles of new siding and yard tracks were added during the year.

211.08 miles of main track were ballasted with crushed rock and gravel at a total cost of \$168,534 76, of which \$72,217 08 was charged to operating expenses and \$96,317 68 to property account.

32 old steel bridges of a total length of 2,947 feet were replaced with thirty-two new steel bridges of heavier weight and of the same length.

5 wooden bridges of a total length of 620 feet were replaced with iron ones of same length.

775 feet of trestle were filled during the fiscal year.

EQUIPMENT.

The following statement shows the various classes of equipment purchased and acquired during the fiscal year:

Description.	Purchased Direct.	Purchased Under Equipment Trust Series "F." (K.C. F.S. & M.Ry.)	Purchased Under Equipment Trust Series "A." (K.C. F.S. & M.Ry.)	Received With St. L. & S. E. RR.	Total.
Locomotives.....		1		42	43
Coaches.....		9		17	26
Chair cars.....				3	3
Coach and baggage cars.....				2	2
Coach, mail and baggage car.....				1	1
Baggage, mail & express cars.....				2	2
Baggage and express cars.....				4	4
Official.....				2	2
Box cars.....		1,300		871	2,171
Coal cars.....		300		122	422
Flat cars.....				430	430
Caboose cars.....		50		28	78
Furniture cars.....		400			400
Ballast cars.....				73	73
Derrick.....				1	1
Pile drivers.....	1			2	3
Steam shovel.....				1	1
Boarding cars.....				4	4
Plow car.....				1	1
Tool cars.....				4	4
Ice car.....				1	1

The book value of all classes of equipment wrecked or retired from service during the year and not replaced, amounting to \$251,104 80, was charged to operating expenses, less the depreciation, which last was charged to profit and loss account.

A comparison of equipment owned at June 30th 1905 with that of the preceding year is as follows:

	1905.	1904.	Increase, Per Cent.
Locomotives.....	770	731	5.34
Passenger-train cars.....	449	416	7.93
Freight-train cars.....	24,474	21,679	12.89

The following is a comparison with the preceding year of the expenditures per locomotive and per car for repairs and renewals:

	1905.	1904.	Decrease, Per Cent.
Per locomotive.....	\$2,142 17	\$2,165 98	1.10
Per passenger car.....	681 37	999 34	31.82
Per freight car.....	50 36	58 33	13.66

TRAFFIC.

Freight.

The tons of commercial freight carried during the year increased 1,678,657, or 15 per cent.

The ton mileage increased 76,620,489, or 4 per cent, and at the rate per ton per mile increased .029 of a mill.

Passenger.

The number of passengers carried increased 1,048,281, or 21 per cent.

The passengers carried one mile increased 81,795,055, or 32 per cent, and the rate per passenger per mile decreased .08 of a mill.

The World's Fair held in St. Louis May 1 to December 1 1904 contributed largely to the passenger traffic, and the increases shown above are attributable partly to that cause.

LAND DEPARTMENT.

The net receipts of the land department for the fiscal year were:

From Kansas City Fort Scott & Memphis Railway lands.....	\$16,529 75
From St. Louis & San Francisco Railroad lands.....	905 09
Total net receipts for the year.....	\$17,434 84

GENERAL.

While the new mileage added to the System during the last two years has caused a decrease in the earnings per mile of road, still with the continued increase in immigration into the States and Territories traversed by the Company's new lines, it will not be long before the earnings per mile will again begin to show an increase.

During the fiscal year our industrial department has located 368 new industries, which have been completed and put in operation on the tracks of the System lines. The esti-

mated cost of such new plants is \$10,538,000 and the number of men employed therein is 9,939.

The year's crops are above the average in all the territory traversed by the system lines, and with the exception of such limited territory as was visited by excessive rainstorms and floods, no serious damage has so far been reported.

The expenses incurred by reason of floods during the fiscal year amounted to \$120,873 97, all of which was charged to operating expenses.

The Company paid the usual quarterly dividends of 1 per cent each, making 4 per cent for the year, on its first and second preferred stocks, and after the payment of all charges and dividends there remained a surplus of \$184,386 31, which was transferred to the credit of profit and loss account. Statements following give full details of income and profit and loss accounts.

Appended to this report are statements of income and profit and loss accounts, condensed balance sheet and other exhibits, which include the figures of the Ch. & E. Ill. Railroad Co. (See pamphlet report.) They show the consolidated results of the operation of both properties for the fiscal year, as well as their financial condition at the end of the year.

The usual examination of the accounts of the company at the close of the fiscal year was made by Mr. Stephen Little and his certificate appears on page 16 (see pamphlet report).

A. J. DAVIDSON, President.

ST. LOUIS & SAN FRANCISCO RAILROAD SYSTEM.—SUMMARY OF FINANCIAL CHANGES, YEAR ENDED JUNE 30TH 1905.

RESOURCES.					
Cash on hand June 30th 1904.....				\$21,017,290 70	\$2,720,326 61
Funded debt increased.....					
Outstanding securities on leasehold estate (The Kansas City Ft. Scott & Memphis Railway), increased.....				276,896 00	
Preferred stock certificates, Chicago & Eastern Illinois Railroad, increased.....				3,030,000 00	
Equipment notes outstanding, increased.....				501,739 08	
Stocks and bonds owned, decreased.....				2,878,172 84	
Leasehold estate (The Kansas City Fort Scott & Memphis Railway), decreased.....				41,157 52	
Franchises and property, auxiliary companies, decreased.....				1,163,588 23	
Refunding mortgage 4 per cent bonds in trust with The New York Trust Company of New York, decreased.....				75,000 00	
Securities in treasury—cost of, decreased.....				11,651,510 13	
Trustees' sinking fund accounts, decreased.....				842,094 80	
Sinking funds, decreased.....				12,283 14	
Changes in current accounts as follows—					
Decrease in assets—					
Due from companies and individuals.....	\$467,110 68				
Supplies on hand.....	240,511 16				
Unadjusted open accounts (balance).....	71,430 92	\$79,052 76			
Increase in liabilities—					
Due to railroad companies, account traffic.....	\$9,097 76				
Interest and dividends matured.....	676,014 60		685,112 36		
			\$1,464,165 12		
Increase in assets—					
Due from agents and conductors.....	\$37,729 21				
Due from railroad companies, account traffic.....	43,346 52				
Due from United States Government.....	13,332 84				
	\$94,408 57				
Decrease in liabilities—					
Notes payable.....	\$2,690,000 00				
Audited vouchers and pay rolls.....	1,214,707 83				
Due to companies and individuals.....	836,879 63				
Interest accrued (not due).....	6,457 14				
Taxes accrued (not due).....	31,003 61				
	\$4,779,048 21	\$4,873,456 78	\$3,409, 201 66	\$38,080,440 78	
Total to be accounted for.....					\$40,800,767 39
APPLIED AS FOLLOWS—					
Franchises and property, increased.....				\$21,068,767 47	
Guaranteed preferred stock, St. Louis San Francisco & New Orleans Railroad, decreased.....				21,000 00	
Capital stock, auxiliary companies, decreased.....				1,210,700 00	
Refunding mortgage 4 per cent bonds, Northwestern Division improvement and equipment fund, decreased.....				75,000 00	
Chicago & Eastern Illinois Railroad Company preferred stock—cost of, increased.....				3,030,000 00	
New equipment under equipment trusts, increased.....				538,608 96	
Five per cent notes, due April 30th 1905, paid.....				3,500,000 00	
Deferred payments, Ozark & Cherokee Central R'y, paid.....				1,980,000 00	
Deferred payments, Arkansas Valley & Western R'y, paid.....				3,600,000 00	
Sinking funds accrued, decreased.....				825,784 72	
Kansas City Osceola & Southern R'y interest fund, decreased.....				5,187 50	
Improvement fund (Kansas City & Memphis Railway & Bridge Company), decreased.....				2,671 20	
Advances account construction, increased.....				4,647 38	
Net charge to profit and loss account.....				1,166,763 83	\$37,929,131 04
Balance, cash on hand June 30th 1905.....					\$2,871,636 35

ST. LOUIS & SAN FRANCISCO RAILROAD SYSTEM.

Income Account—Fiscal Year Ended June 30th 1905, Compared with Previous Year.

	1904-05.	1903-04.	Inc. (+) or Dec. (—)
Average mileage operated.....	5,030.45	4,216.88	813.57
Earnings—			
Freight.....	20,111,455 45	18,776,231 27	+1,335,224 18
Passenger.....	7,047,577 65	5,982,083 13	+1,065,494 42
Mail.....	378,725 66	620,320 26	+ 58,405 40
Express.....	871,836 84	762,469 28	+109,367 56
Miscellaneous.....	648,644 26	755,627 35	—106,983 09
Total.....	29,958,239 76	26,896,731 29	+3,061,508 47
Operating Expenses—			
Maintenance of way and structures.....	3,592,174 25	3,131,141 18	+461,033 07
Maintenance of equipment.....	3,530,357 39	3,414,327 59	+116,029 80
Conducting transportation.....	11,163,559 49	10,310,041 95	+853,517 54
General expenses.....	1,010,925 72	900,741 27	+110,184 45
Total.....	19,297,016 85	17,766,251 99	+1,540,764 86
Net earnings from operation.....	10,661,222 91	9,140,479 30	+1,520,743 61
Other income.....	832,113 27	883,112 62	—50,999 35
Total net income.....	11,493,336 18	10,023,591 92	+1,469,744 26

	1904-05.	1903-04.	Inc. (+) or Dec. (—)
Taxes.....	\$48,896 45	\$702,759 23	+145,937 22
Int., rentals and sink. funds.....	8,015,929 30	6,473,559 00	+1,542,370 30
Dividends on trust certificates, K. C. Ft. S. & Mem. Ry.....	540,400 00	540,400 00	—
Dividends on trust certificates, Chic. & East. Illinois RR.....	1,064,182 00	964,702 00	+99,480 00
Total.....	10,469,207 75	8,681,420 23	+1,787,787 52
Available for dividends.....	1,024,128 43	1,342,171 69	—318,043 26
Dividends to stockholders—			
Four per cent each on first and second preferred stock.....	839,742 12	839,742 12	—
Surplus.....	184,386 31	502,429 57	—318,043 26
Out of which was appropriated—			
For betterments.....	16,718 83	16,718 83	—
For flood damages, June 1904.....	61,815 06	61,815 06	—
		78,533 89	—78,533 89
Surplus, profit and loss.....	184,386 31	423,895 68	—239,509 37

a Include taxes, interest and dividends respectively, which were included in last year's report in the one item, "Rental of Leased Lines K. C. Ft. S. & M. Ry."

ST. LOUIS & SAN FRANCISCO RAILROAD SYSTEM.
General Profit and Loss Account and Adjustments Therein June 30 1904 to June 30 1905.

<i>Credit—</i>			<i>Debit—</i>	
Balance at credit June 30th 1904.....		\$4,038,749 54	Annual instalment from franchises and property account on account of difference between the cost of underlying bonds refunded and the proceeds of refunding bonds sold and the commissions paid therefor.....	\$250,000 00
Surplus for the year ended June 30th 1905, as per income account.....	\$184,386 31		Discount on securities sold, stocks and bonds exchanged, and expenditures in connection with listing, certifying and issuing new bonds	766,943 33
Refund by Government of revenue stamps used on refunding mortgage.....	13,564 65		Taxes accrued prior to July 1st 1904 and taxes on land in New Mexico and Arizona (not part of operated property).....	83,351 82
Net interest accretions on bonds and cash in Ft. S. S. E. & M. RR. sinking fund (bonds all redeemed at October 31st 1904).....	98,885 33		Depreciation in value of buildings torn down, tracks taken up, and equipment destroyed or dismantled during current fiscal year (balance of cost less salvage charged to operating expenses).....	141,593 89
Net interest accretions on bonds and cash in Kan. Equip. Co. sinking fund (bonds matured January 1st 1905).....	40,584 82		Cost of 3,500 shares of stock, par value \$10 each, of the Louisiana Purchase Exposition Co., written off.....	35,000 00
Unpaid vouchers and pay-rolls written off.....	10,134 62		Cost of reconstruction and deficit from operating the Crescent Hotel, Eureka Springs, Arkansas	31,646 43
		347,555 73	Sundry items not chargeable to current year's income.....	205,784 09
			Total Debit.....	\$1,514,319 56
			Balance, June 30, 1905.....	2,871,985 71
Total Credit.....	\$4,386,305 27			\$4,386,305 27

ST. LOUIS & SAN FRANCISCO RAILROAD SYSTEM.
Condensed General Balance Sheet June 30 1905, and Comparison with Previous Year.

Assets—	1905. \$	1904. \$	Inc. (+) or Dec. (—), \$
Franchises and property	159,503,840 05	137,535,072 58	+21,968,767 47
Stocks and bonds owned	203,845 69	3,082,018 53	—2,878,172 84
Total franchises and property	159,707,685 74	140,617,091 11	+19,090,594 63
Leasehold estate (The Kan. City Ft. Scott & Memphis Ry.)	64,488,107 93	64,529,265 45	—41,157 52
Leasehold estate (Kan. City Mem. & Birm. RR)	15,740,375 76	15,740,375 76	—
Franchises and property, auxiliary companies	16,696,696 38	17,860,284 61	—1,163,588 23
Chl. & East. Ill. prefer'd stock—Cost of	9,321,550 00	6,291,550 00	+3,030,000 00
Chl. & East. Ill. common stock—Cost of	18,239,237 13	18,239,237 13	—
New equipment under equipment trusts	5,781,316 71	5,242,707 75	+538,608 96
Refunding mortgage 4% bonds in trust, with The New York Co. of New York (see contra)	125,000 00	200,000 00	—75,000 00
Mississippi Valley Trust Co., for deposit by Special Master in Chancery for Kansas Mid. Ry. (see contra).	291 07	291 07	—
Current Assets—			
Cash in treasury	1,058,394 31	1,160,538 95	—102,144 64
Cash in hands of fiscal agents	1,813,242 04	1,559,787 66	+253,454 38
Due from agents and conductors	1,131,275 70	1,093,546 49	+37,729 21
Due from railroad companies acct. traffic.	225,681 62	182,335 10	+43,346 52
Due from companies and individuals	1,848,968 43	2,316,079 11	—467,110 68
Due from United States Government	179,216 89	165,884 05	+13,332 84
Supplies on hand	1,038,234 39	2,178,745 55	—240,511 16
Unadjusted open accts (Balance)	124,332 64	195,763 56	—71,430 92
Securities in treasury—Cost of	1,513,151 00	13,164,661 13	—11,651,510 13
Advances account construction	311,535 04	306,887 68	+4,647 36
Total current assets	10,144,032 06	22,324,229 28	—12,180,197 22
Trustees sinking fund accounts	318,479 23	1,160,574 03	—842,094 80
Sinking funds	192,436 24	204,719 38	—12,283 14
Old Colony Trust Company improvem't fund	100,000 00	100,000 00	—
Total assets	300,855,208 25	292,510,325 57	+8,344,882 68

* All owned by this Company.
 † \$2,521,000 of the Funded Debt of the Auxiliary Companies, and \$399,500 of the Funded Debt of the K. C. M. & B. R.R. Co., is owned by this Company, of which \$2,182,000 is deposited under the St. L. & S. F. R.R. Co. Refunding Mortgage, \$399,500 under the K. C. Ft. S. & M. Ry. Co. Refunding Mortgage and \$339,000 under the Trust Mortgage of 1887.

WISCONSIN CENTRAL RAILWAY COMPANY.

SIXTH ANNUAL REPORT—FOR THE FISCAL YEAR ENDING JUNE 30 1905.

To the Stockholders of the Wisconsin Central Railway Company:

Your Directors submit the following report of the operations of the company for the year ending June 30 1905.

GROSS EARNINGS.	
From freight.....	\$4,936,219 56
From passengers.....	1,406,126 23
From mail, express and miscellaneous.....	308,537 77
Total.....	\$6,650,883 56
Operating expenses (65.77 per cent of the gross earnings).....	4,374,336 07
Net earnings.....	\$2,276,547 49
Other income.....	41,233 55
Total.....	\$2,317,781 04
Accrued taxes.....	264,351 24
Balance.....	\$2,053,429 80
Accrued rentals.....	\$370,346 93
Accrued interest on bonds.....	1,127,238 60
Total fixed charges.....	1,497,585 53
Surplus.....	\$555,844 27
Surplus brought forward from last year.....	433,046 00
Total surplus June 30 1905.....	\$988,890 27
Appropriated for improvements.....	\$423,997 30
Appropriated for redemption of M. & S. E. Div. 1st mtge. bonds, as provided in Article II, Section 2 of mortgage dated May 1 1901	5,250 00
Reserved to retire \$60,000 Series C, Equipment Trust bonds, maturing July 1 1905.....	60,000 00
Leaving a net surplus to be carried forward.....	\$499,642 97

MILES OF ROAD.

The average mileage operated during the year was..... 977.04

CAPITAL STOCK.

There have been no changes in the capital stock during the fiscal year.

FUNDED DEBT.

The following changes in funded debt have occurred during the year:

Obligations Issued— Equipment Trusts of 1905.....	\$401,175 00
Obligations Retired— Wisconsin Central Railroad Company First Series bonds..... (Amount remaining outstanding, \$656,000.)	\$1,000 00
Marshfield & Southeastern Division bonds..... (Amount remaining outstanding, \$428,000.)	8,000 00
Equipment Trust bonds of 1902..... (Amount remaining outstanding, \$475,000.)	60,000 00
Total bonds retired.....	\$69,000 00

Increase during the year..... \$332,175 00

The total funded debt June 30 1905 was..... \$27,588,175 00

There are still available for improvements, but not drawn, \$119,950 00 of the First General Mortgage bonds, and the remainder of \$2,240,050 of First General Mortgage bonds which are held for the retirement of \$2,036,000 underlying bonds.

LAND DEPARTMENT.

The gross land sales of the Land Department for the year were 2,657.33 acres for.....	\$16,979 18
The average price per acre being.....	\$6 39
The cancellation of land sales previously made amounted to 1,606.24 acres and the amount remaining unpaid was.....	\$8,655 71
Leaving the net sales 1,051.09 acres.....	\$5,323 47
Timber sales amounted to.....	\$42,075 62
Town lot sales amounted to.....	\$375 00
The royalties accrued during the year from iron ore mined from the company's land amounted to.....	\$80,129 98
The gross cash receipts from lands, lots, timber, royalties, deferred payments, interest on deferred payments, rents, etc., were.....	\$219,042 28
The expenses of the Land Department, including taxes and the cost of caring for the property, were.....	\$81,552 39
The total number of acres remaining in the grant on the 30th of June 1905 was.....	453,267 08
Number of acres under contract of sale.....	22,120 28
Number of acres unsold.....	431,146 80

There is no improvement in the demand for land or timber. The royalties accrued during the year upon iron ore mined from the company's lands showed an increase of \$13,945 68 over the royalties for the preceding year. It is probable that the royalties for the current fiscal year will be still larger. New options are being taken for exploring the company's lands within the iron range and there is every reason to expect favorable results from these explorations.

LAND GRANT SINKING FUND.

Cash balance July 1 1904.....	\$267,615 85
Paid Sinking Fund Trustees during year.....	128,537 29
Interest on deposits during year.....	8,237 81
Total.....	\$404,390 95
Expense of administering the trust during year.....	3,000 00
Balance.....	\$401,390 95
Amount invested by Trustees.....	1,035 00
Balance on hand.....	\$400,355 95

COMPARISON OF EARNINGS AND EXPENSES OF THE YEARS ENDING JUNE 30 1904 AND 1905.

Increase in earnings on general freight.....	\$7,858 05
Increase in earnings on iron ore.....	162,756 90
Total increase in freight earnings.....	\$170,614 95
Increase in passenger earnings.....	342 93
Increase in mail, express and miscellaneous earnings.....	13,749 10
Increase in gross earnings (2.86 per cent).....	\$184,706 98
Increase in expenses (.73 per cent).....	\$31,896 70

Increase in net earnings (7.20 per cent).....	\$152,810 28
Increase in taxes.....	\$12,138 62
Increase in rentals.....	\$507 30
Decrease in interest on bonds.....	\$206 87

There was an increase of \$196,000 in the cost of maintenance of way, structures and equipment, and a decrease of \$181,000 in the cost of conducting transportation, principally in the decrease of fuel expense.

During the year 6,908 tons of new steel rails (85 pounds to the yard) were laid, releasing 4,983 tons of lighter weight. The cost of the new rails and fastenings, including the cost of handling and laying, less the value of the rails and fastenings released, was charged to operating expenses.

The Reserve Fund at the end of the year amounted to \$114,616 17.

The credit to Equipment Renewal fund at the beginning of the year was..... \$101,592 35

The value of equipment destroyed during the year charged to repairs and credited to this fund was..... 47,563 46

Making a total credit to the fund of..... \$149,155 81

During the year 50 furniture cars, 22 ballast cars, 3 flat cars and one pile driver were built and one business car rebuilt at a cost of..... 60,748 41

Leaving a balance in the Equipment Renewal fund at the close of the fiscal year of..... \$88,407 40

IMPROVEMENTS.

The charges to Improvement Account during the year amounted to..... \$431,272 34

This was provided for as follows:
 From proceeds of First General Mortgage bonds..... \$7,275 04
 From surplus earnings..... \$423,997 30

The details of the Improvement Account are shown on page 17 of pamphlet report.

NEW LINE.

During the year contracts were entered into for the construction of 45½ miles of road from Owen, a point on the main line 12 miles west of Abbottsford, to Ladysmith, a station on the Minneapolis St. Paul & Saulte Ste. Marie Railway.

A survey has been made for a line from Ladysmith to Superior and Duluth, a distance of 112 miles, and it is expected shortly to enter upon the construction of this line. Real estate for terminals in Superior and Duluth has been or is being acquired, and the location secured is a suitable one for the business of the Company. The line from Owen to Ladysmith will be opened in January 1906. This line is being constructed by the Owen & Northern Railway Company and the line thence to Duluth by the Lake Superior & Southeastern Railroad Company. The entire capital stock of both of these companies is owned by your Company. Your Company has undertaken to furnish the requisite funds for building and equipping the projected lines. To secure the necessary funds for this purpose your Company has created an issue of \$5,000,000 five-year 4½% per cent gold notes, dated July 1 1905, which are to be collaterally secured, when and as issued, by securities of the Owen & Northern Railway Company and the Lake Superior & Southeastern Railroad Company. Arrangements were made temporarily to borrow \$1,000,000 on notes of the Company payable July 1 1906, collaterally secured by \$1,000,000 of said five-year notes. \$500,000 of this amount was received during the fiscal year and appears on the balance sheet under the head of "Construction Loans."

The completion of this projected line to the head of Lake Superior will result in giving the industries now established on your existing line such resources for raw material, in addition to those already controlled, as will largely extend their period of activity and will also insure a large traffic between Duluth and Superior and Chicago and other Lake Michigan ports. The country traversed by this line is rich in timber and other resources.

EQUIPMENT.

During the year the following equipment was purchased and delivered:

5 passenger locomotives,	10 first-class coaches,
7 freight locomotives,	2 chair cars,
200 gondola cars,	3 baggage cars.
500 box cars,	

The cost of the above equipment was \$701,086 83; \$299,911 83 was paid in cash; the balance, \$401,175 00, will be paid in semi-annual instalments, the last payment falling due October 13 1912. The rates of interest on the deferred payments are 4½ and 5 per cent per annum.

Statements and statistics relating to the business of the company, as well as a balance sheet showing the condition of the company at the end of the year will be found attached. (See pamphlet report; also page 1237 of to-day's "Chronicle.") Reference is made to these for more particular information.

By order of the Board of Directors,

H. F. WHITCOMB,

President.

Milwaukee, Sept. 28 1905

THE PACIFIC COAST COMPANY.

EXTRACTS FROM THE REPORT FOR THE YEAR ENDING JUNE 30 1905.

To the Stockholders of the Pacific Coast Company.

There has been no change in Funded Debt or Share Capital.

STEAMSHIP DEPARTMENT.

The net earnings of the Pacific Coast Steamship Company have increased \$20,217 75 during the year, while the gross earnings show a decrease of \$166,553 72 in same period.

The reduction in gross earnings is partly due to light business in Southeastern Alaska, on account of the canneries not being operated to the extent of previous years; also to the falling off in second-class passenger travel.

Southern California business was light on account of the extreme drought which prevailed in that portion of the State last season, greatly reducing the yield of grain. There were abundant rains all over So. California last winter and spring, and the coming year's business should show an improvement.

There was expended for repairs of fleet, and charged to operating expenses, \$430,217 89, as against \$403,929 07 for the previous year. Ordinary repairs and renewals cost \$218,751 35; extraordinary, \$211,466 54.

The steamship "Santa Rosa" was thoroughly overhauled, re-boilered, main deck renewed, a number of state-rooms altered and the second-class accommodations increased. Cost, \$119,341 51.

The steamship "City of Topeka" was given a general overhaul. An entirely new house was built, state-rooms enlarged and number increased by seven. The hull was built up by steel plates from main to upper deck; new tail shaft, bilge keel and steering gear installed. Cost, \$53,995 19, part of which was covered by insurance.

One additional boiler was installed in the steamship "Spokane," steam winch and steam capstan were substituted for electric winch and capstan; steering gear overhauled, side hatches taken out and center after-hatch built in; all auxiliaries overhauled and repaired and minor improvements made. Cost, \$18,873 70.

The steamship "Pomona," in addition to ordinary up-keep, received general repairs. Cost, \$11,325 77.

All vessels of the Company were given the necessary annual overhaul, and fire and lifeboat service upon all vessels put in order to comply with new Government regulations.

It is estimated that the cost of repairs and renewals for the coming year will be considerably less than for the year just ended. Plans for a new freight and passenger steamer for the San Francisco-Puget Sound route are about completed and bids will be called for as soon as same are finished. The vessel will be larger and faster than any now on the route.

RAIL LINES.

The gross earnings of the Columbia & Puget Sound Railroad increased \$20,284 98, operating expenses decreased \$6,666 19, net earnings increased \$26,951 17.

The Passenger Revenue increased \$3,556 15 on account of improved service. Freight revenue increased \$14,359 20. Proportion of Operating Expenses to Gross Earnings, 41.10%, as against 44.10% the year before.

Interchange of tracks with the Northern Pacific Railway Company, mentioned in last report, was completed August 1 1904. By this exchange the Company was enabled, on same date, to commence using its new coal bunkers, shops and roundhouse at Dearborn St. and Railroad Ave., Seattle.

The operation of the new Coal Bunkers has been satisfactory. The improved facilities for storing coal and fueling vessels has strengthened your position in the fuel market.

The new shops are of modern design and, in addition to the tools and machinery taken from the old shops, are equipped with several new machines and labor-saving appliances, among which is a new ten-ton Traveling Crane.

The improved facilities and excellent location on the water front enables your Company to do much of the repair work on its steamers heretofore done by outside shops.

By authority of your Board, 38 acres of land were purchased on Lake Washington, in the City of Seattle, on a spur of the Columbia & Puget Sound Railroad, and adjoining our Lake Washington coal bunkers. A new brick freight and passenger depot has been erected at Seattle.

While the Gross Earnings of the Pacific Coast Railway show a gratifying increase, the net earnings show a slight decrease, on account of extraordinary expenditures for repairs and renewals. Heavy expenses were incurred for overhauling and repairing engines and cars, to provide facilities for handling oil shipments, and for ballasting and improving track with a view to safe handling of increased traffic, in larger and heavier cars.

There have been important developments in the oil fields of the Santa Maria Valley during the year. The Union Oil Company has constructed a six-inch pipe line from Santa Maria to Port Harford. The Standard Oil Company is laying an eight-inch pipe line between the same points. The oil companies are using the Pacific Coast Railway Company's facilities at Port Harford. The rentals derived materially increase the earnings of the Railroad and Wharf.

COAL DEPARTMENT.

Gross earnings increased.....	\$362,088 29
Operating expenses increased.....	260,551 61
Net earnings increased.....	\$101,536 38

Tonnage sold increased—28.20%. Output of the Black Diamond Mines yielded 39.70% of the Gross Earnings.

All depots show increases, with the exception of San Francisco, Oakland and Portland, at which places oil competition resulted in decreased sales and profits.

Under authority of your Board of Directors, a settlement was effected November 4 1904 with the Northern Pacific Railway Company and the North Western Improvement Company of a traffic contract very unfavorable to your Company made by the former owners of the Black Diamond coal mines. This settlement included a lease to The Pacific Coast Company of Section 23 adjoining the Black Diamond property upon a royalty basis on favorable terms, the payment for same being made in cash from funds on hand.

As indicated by this report, the purchase of the Black Diamond coal mining property, in May 1904, has been of profit and great advantage to your Company.

Improvements.

New bunkers, Portland, capacity 3,000 tons, were constructed and put in operation March 1 1905. Coal is handled by link-belt machinery, at reduced cost. New bunkers, San Francisco, described in last report, completed.

Newcastle Field.—Coal Creek Mine has been operated continuously during the year. The output increased slightly over previous year. Average cost per ton reduced. 986,000 tons of coal now developed. Working capacity, 600 tons per day. No new improvements made during the year. Mine in good condition.

Franklin Field.—Mine No. 1, Vein No. 12, worked continuously during the year. Output increased 28.9%. Average cost per ton reduced. 290,000 tons of coal developed. Working capacity, 350 tons per day. Mine in first-class condition. Mine No. 2, McKay Vein.—Owing to purchase of the Black Diamond Mines, it was decided to suspend development work in this Mine, and its operation was discontinued on August 1 1904. Mine is in condition to be reopened and development work continued whenever necessary. Mine No. 3, Gem Vein No. 17.—It was found that the output of the Company's other mines was sufficient to supply the market, and Gem Mine was closed temporarily on November 1 1904. The workings are all above water level and the Mine can be kept closed at small expense. 55,000 tons of coal developed. Working capacity, 250 tons per day. Mine No. 7, McKay Vein.—This Mine worked steadily during the year. Output 14.8% below last year, account lower levels worked out and closed. Average cost per ton reduced. About 44,000 tons developed and yet to be extracted. Working capacity, 225 tons per day. Lawson Mine, McKay Vein No. 14, worked steadily during the year. Output below previous year. Average cost per ton slightly increased account smaller output and deeper workings. Fifth level was opened. 290,000 tons of coal developed. Working capacity, 300 tons per day.

Black Diamond Field.—Morgan's Slope, McKay Vein No. 14, operated continuously during the year. Average daily output, 645 tons. New air-ways were driven and main slope extended from third to fifth level. Slope tracks relaid with 35-lb. rail, top landing remodeled, 125 mine cars rebuilt and mine generally improved and put in safe and sanitary condition; 200-H.P. electrical power engine replaced with new modern engine; two 125-H.P. boilers installed, replacing worn-out boiler. 832,000 tons of coal developed. Working capacity, 750 tons per day. Mine No. 14, McKay Vein No. 14, worked continuously. Average output, 370 tons per day. 136,000 tons of coal developed and output of mine can be, at any time, increased to 650 tons per day.

Improvements.

The electric light and water systems at Lawson have been extended to supply Black Diamond, and electric light and water put in most of the houses. This adds to the comfort of the employees and improves the sanitary conditions of the camp.

Section 23, adjoining Black Diamond property, was leased from the Northwestern Improvement Company, upon a royalty basis. The McKay Vein underlies this section.

Four hundred and eighty acres of coal land, in Section 22, adjoining Black Diamond property, purchased. The McKay Vein extends under this section and arrangements are being made to mine the coal through No. 14 Mine.

The General Offices of the Company at Seattle were, on October 1 1904, removed from the Burke Building to the new office building, described in the last Annual Report, which is conveniently located near the Company's wharves, coal bunkers and depot.

As indicated in the last annual Report, the growth and development of the Pacific Coast has been favorable to your Company, and we have every reason to believe that the same will continue and that a further increase of traffic and business may be expected in the future.

H. W. CANNON, Pres. and Chairman of the Board.

J. C. FORD, Vice-Pres. and Gen'l Manager.

(For income account and balance sheet, see page 1241.)

The Commercial Times.

COMMERCIAL EPITOME.

Friday Night, Oct. 20 1905.

Weather conditions have not been favorable for seasonable activity in a number of lines of merchandise. Dealers and jobbers have reported a light call from the retail trade for supplies, which has been interpreted as meaning a quiet condition of business with them. As a general rule, however, the business situation has continued healthy, and there has been fairly free trading in most staples. Pig iron has continued in active demand and stocks during September made a large decrease. The steel mills have reported an active demand for structural shapes. The grain markets have continued firm, with Europe a free buyer of the coarser grains for feedstuffs. Southern cotton planters were reported holding their crop at the recent decline in prices.

Lard on the spot has continued to meet with only a limited sale, but as packers have not been forcing sales, prices have held to a steady basis. The close was weaker at 7.60c. for prime Western and 7.00@7.25c. for prime City. Refined lard has been quiet but steady, closing at 7.90c. for refined for the Continent. Speculation in the market for contracts has been quiet, but on support from packers prices have been advanced slightly. The close was easier.

DAILY CLOSING PRICES OF LARD FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
October delivery	7.22½	7.17½	7.07½	7.12½	7.20	7.12½
November delivery	7.25	7.22½	7.12½	7.12½	7.17½	7.10
January delivery	6.90	6.90	6.82½	6.82½	6.82½	6.77½

The demand for pork has been slow but prices have been well maintained, closing at \$16@16 50 for mess, \$13 75@16 50 for short clear and \$17 50@18 for family. Cut meats have had a moderate sale at steady prices, closing at 6½c. for pickled shoulders, 9¼@10c. for pickled hams and 8½@9½c. for pickled bellies 16@10 lbs. average. Beef has had a fair jobbing sale and prices have been steady at \$8 75@9 25 for mess, \$10 50@11 50 for packet, \$12@13 for family and \$17@18 for extra India mess. Tallow has been quiet but steady at 4½c. Stearines have been quiet and unchanged at 8c. for lard stearine and 7½c. for oleo stearine. Cotton-seed oil has advanced, but the close was quiet at 25½c. for prime yellow. Butter has been in fair demand for desirable grades and prices have advanced, closing at 16½@22½c. for creamery. Cheese has been quiet and unchanged at 10½@11½c. for State factory, full cream. Fresh eggs have advanced on smaller receipts, clearing at 23@24c. for best Western.

Brazil grades of coffee have been dull. Buyers generally have withdrawn from the market, showing a disposition to hold off and await developments. Offerings have increased and prices have weakened. The close was steadier at 8½c. for Rio No. 7 and 8½c. for Santos No. 4. West India growths have been quiet and easier at 9½c. for good Cuenca and 11½c. for good average Bogota. Trading in the speculative market has been more active, but at lower prices, due to selling for the account of speculative holders to liquidate their accounts. The close was steadier. The closing asked prices were as follows.

October	6.75c.	January	6.95c.	May	7.35c.
November	6.75c.	February	7.05c.	July	7.45c.
December	6.85c.	March	7.15c.	September	7.60c.

Raw sugars have been more freely offered, and prices have declined, closing at 3 9-16c. for centrifugal, 96-deg. test, and 2 15-16c. for muscovado, 89-deg. test. Refined sugar has been quiet and easier, closing at 4.50c. for granulated. Rice has been fairly active at advancing prices. Teas have had a limited sale at steady values.

A fair export business has been transacted in Kentucky tobacco, and prices have been steady. Business in the market for seed-leaf tobacco has continued active, there being a good demand for Penn. broad leaf, Wisconsin and Gebhart, and at firm prices. Sumatra tobacco has had a fair sale at full values. Havana tobacco has been in fair demand and firm.

There has been a firmer market for Straits tin, but at the close offerings were more free and prices reacted slightly to 32.37½@32.62½c. Business in copper has been dull and prices are nominal at 16½@16¾c. for Lake and electrolytic. Lead has been in good demand, and prices have advanced to 5.25c. Spelter has been firmer, closing at 6.15@6.25c. Pig iron has been in good demand, and prices have advanced to \$17 50@17 75 for No. 2 Northern and \$17 25@17 50 for No. 2 Southern.

Refined petroleum has advanced, and the close was firm at 7.70c. in barrels, 10.40c. in cases and 4.80c. in bulk. Naptha has been unchanged at 12c. for 71 degrees and 12c. for 76 degrees. Credit balances have been advanced, closing at 1.61c. Spirits turpentine has been quiet and easier, closing flat at 71c. asked for machine bbls. Rosins have held steady at \$4 for common and good strained. Hops have had a fair sale at steady prices. Wool has been fairly active and firm.

COTTON.

Friday Night, Oct. 20 1905.

THE MOVEMENT OF THE CROP as indicated by our telegrams from the South to-night is given below. For the week ending this evening the total receipts have reached 321,919 bales, against 344,925 bales last week and 346,561 bales the previous week, making the total receipts since the 1st of September 1905 1,935,303 bales, against 2,250,891 bales for the same period of 1904, showing a decrease since Sept. 1 1905 of 315,588 bales.

Receipts at—	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.	Total.
Galveston	18,507	19,588	35,232	9,652	21,466	20,445	124,890
Pt. Arthur, &c.	6,952	8,842	6,493	6,048	8,137	6,927	6,927
New Orleans	1,859	3,863	891	1,304	1,826	1,744	11,487
Mobile	60	—	—	—	—	—	237
Pensacola, &c.	12,904	12,888	13,823	12,050	8,899	11,371	71,935
Savannah	1,411	1,003	1,451	994	1,328	8,183	8,183
Brunswick	—	—	—	—	—	—	7,942
Charleston	2,834	2,501	1,579	1,651	2,526	3,615	14,706
Georgetown, &c.	—	—	100	—	—	—	100
Wilmington	4,612	4,986	6,224	6,472	3,832	3,114	29,240
Norfolk	—	—	—	—	—	—	197
New York	—	—	—	—	—	—	—
Boston	20	345	—	107	11	—	499
Baltimore	—	—	—	—	—	1,041	1,041
Philadelphia	27	64	—	—	—	—	91
Tot. this wk.	49,186	54,080	65,793	38,278	48,025	66,557	321,919

The following shows the week's total receipts, the total since Sept. 1 1905, and the stocks to-night, compared with last year.

Receipts to Oct. 20.	1905.		1904.		Stock.	
	This week.	Since Sept. 1 1905.	This week.	Since Sept. 1 1904.	1905.	1904.
Galveston	124,890	730,454	110,318	782,612	206,856	153,399
Pt. Arthur, &c.	6,927	10,780	1,984	7,849	—	—
New Orleans	44,384	156,145	95,632	383,264	109,025	203,419
Mobile	11,487	67,049	13,045	70,282	47,163	38,490
Pensacola, &c.	297	17,107	7,839	15,263	—	—
Savannah	71,935	525,635	81,526	555,220	173,734	125,064
Brunswick	8,183	27,886	7,188	36,122	15,901	4,965
Charleston	7,942	81,292	11,716	96,062	39,700	25,424
Georgetown, &c.	100	101	75	93	—	—
Wilmington	14,706	125,978	27,077	130,222	19,310	31,934
Norfolk	20,240	182,845	35,460	169,490	58,111	28,898
New York	197	1,091	468	1,124	—	—
Boston	499	5,389	43	509	3,605	1,085
Baltimore	1,041	2,364	1,027	2,052	2,052	2,221
Philadelphia	91	705	253	649	5,422	5,855
Totals	321,919	1,935,303	393,639	2,250,891	913,865	692,409

In order that comparison may be made with other years, we give below the totals at leading ports for six seasons:

Receipts at	1905.	1904.	1903.	1902.	1901.	1900.
Galv'n, &c.	131,817	112,302	104,956	98,856	121,518	96,637
New Orleans	44,384	95,632	67,364	91,803	108,980	110,014
Mobile	11,487	13,045	14,105	9,878	13,987	6,856
Savannah	71,935	81,526	71,818	49,828	71,549	44,871
Ch'ston, &c.	8,042	11,791	7,773	9,091	15,373	12,338
Wilm'n, &c.	14,706	27,095	23,784	16,366	21,625	11,612
Norfolk	29,240	35,460	21,740	25,264	36,019	15,743
N'p't N., &c.	197	468	138	629	590	862
All others	10,111	16,320	12,602	12,164	30,797	20,069
Tot. this wk	321,919	393,639	324,280	313,879	420,447	319,002
Since Sept. 1	1,935,303	2,250,891	1,580,629	1,952,245	1,650,822	1,920,239

The exports for the week ending this evening reach a total of 266,327 bales, of which 99,885 were to Great Britain, 53,788 to France and 112,654 to the rest of the Continent. Below are the exports for the week and since Sept. 1 1905.

Exports from—	Week ending Oct. 20 1905.				From Sept. 1 1905 to Oct. 20 1905.			
	Great Britain.	France.	Continent.	Total.	Great Britain.	France.	Continent.	Total.
Galveston	45,865	31,684	20,030	97,579	222,486	115,392	148,143	486,021
Pt. Arthur, &c.	—	—	6,526	6,526	—	—	9,524	9,524
New Orleans	23,916	22,094	8,478	54,488	37,153	23,706	24,961	85,820
Mobile	—	—	—	—	3,502	—	—	3,502
Pensacola	—	—	63,529	63,529	8,745	7,896	15,712	32,353
Savannah	—	—	—	—	3,461	—	6,911	10,372
Brunswick	—	—	—	—	—	—	—	—
Charleston	13,760	—	5,637	19,397	58,854	5,225	42,359	106,438
Wilmington	—	—	1,200	1,200	—	—	1,200	1,200
Norfolk	—	—	—	—	—	—	—	—
Newport News	—	—	—	—	—	—	—	—
New York	7,075	—	5,573	12,648	451	—	—	451
Boston	1,311	—	—	1,311	39,460	6,563	45,766	89,388
Baltimore	5,930	—	1,081	7,011	16,344	2,700	12,222	31,266
Philadelphia	2,088	—	—	2,088	9,146	—	—	9,146
San Francisco	—	—	—	—	—	—	2,553	2,553
Seattle	—	—	—	—	—	—	—	—
Portland, Ore.	—	—	—	—	—	—	—	—
Totals	99,885	53,788	112,654	266,327	428,694	161,485	534,658	1,124,837
Total 1904	130,465	23,581	81,475	235,521	809,360	156,772	409,474	1,465,606

In addition to above exports, our telegrams to-night also give us the following amounts of cotton on shipboard, not cleared, at the ports named. We add similar figures for New York.

On Shipboard, Not Cleared for—						
Oct. 20 at—	Great Britain.	France.	Germany.	Other Foreign.	Coast-wis.	Leaving stock.
New Orleans.....	4,187	3,224	3,111	5,413	100	16,035
Galveston.....	14,121	6,982	19,166	10,351	5,555	58,175
Savannah.....	8,560			900	4,000	13,460
Charleston.....					3,000	3,000
Mobile.....	4,700	2,000	9,275		1,700	17,675
Norfolk.....					41,604	41,604
New York.....	6,000	800	2,800	2,300		11,900
Other ports.....	10,060		11,000	2,000		23,060
Total 1905.....	47,508	13,006	45,352	20,964	55,959	182,789
Total 1904.....	72,194	58,589	79,414	53,445	10,991	274,633
Total 1903.....	82,254	31,993	53,827	42,539	10,505	225,618

Speculation in cotton for future delivery has been fairly active. Early in the week prices declined, January delivery, on Tuesday, selling down to 9.62c. Receipts were reported large, the Southern markets were easier and there was continued selling for speculative holders to liquidate their accounts; as prices yielded, stop loss orders were uncovered and their execution resulted in a break in the market. At the decline in prices the advices received from the South stated that planters were withdrawing from the market as sellers, it being their intention to hold their cotton and not sell below the basis of 10c. During the second half of the week the market turned decidedly firmer and a considerable advance in values was established. The reports of light offerings from the South created some uneasiness among shorts and they started buying to cover contracts; then came predictions of frost, and this started general buying, on which prices advanced sharply. Reports from Liverpool reported a more active and firmer market for spot cotton and this too operated in favor of the market. Some authorities it was reported, were giving out smaller crop estimates and this had a bullish effect. To-day the market was fairly active and higher. Some frost was reported and the weather forecasts were for more frost, on which there was fair buying, advancing prices. Receipts, reflecting the recent holding of cotton, fell to moderate figures, and the amount of cotton in sight for the week was smaller, than the preceding week. The close was steady at a net gain for the day of 20@24 points. Cotton on spot firmer and at close advanced 15 points to 10.40c. for middling uplands.

The rates on and off middling, as established Nov. 18 1903 by the Revision Committee, at which grades other than middling may be delivered on contract, are as follows:

Fair	Good	Very Good	Excellent	Even
Middling Fine	0.30	0.30	0.30	0.30
Strict Good Middling	0.62	0.62	0.62	0.62
Good Middling	0.44	0.44	0.44	0.44
Strict Low Middling	0.14	0.14	0.14	0.14
Low Middling	0.38	0.38	0.38	0.38
Strict Good Ordinary	1.00	1.00	1.00	1.00
Good Ordinary	1.00	1.00	1.00	1.00
Strict Good Middling Tinged	0.30	0.30	0.30	0.30
Good Middling Tinged	0.40	0.40	0.40	0.40
Strict Low Middling Tinged	0.12	0.12	0.12	0.12
Low Middling Tinged	0.50	0.50	0.50	0.50
Strict Good Ordinary Tinged	0.84	0.84	0.84	0.84
Good Middling Stained	0.50	0.50	0.50	0.50
Strict Low Middling Stained	0.10	0.10	0.10	0.10
Low Middling Stained	1.50	1.50	1.50	1.50

On this basis the official prices for a few of the grades for the past week would be as follows:

UPLANDS.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Good Ordinary-----	9.10	8.95	8.85	9.00	9.25	9.40
Low Middling-----	9.72	9.57	9.47	9.62	9.87	10.02
Middling-----	10.10	9.95	9.85	10.00	10.25	10.40
Good Middling-----	10.54	10.39	10.29	10.44	10.69	10.84
Middling Fair-----	11.06	10.91	10.81	10.96	11.21	11.36
GULF.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Good Ordinary-----	9.35	9.20	9.10	9.25	9.50	9.65
Low Middling-----	9.97	9.82	9.72	9.87	10.12	10.27
Middling-----	10.35	10.20	10.10	10.25	10.50	10.65
Good Middling-----	10.79	10.64	10.54	10.69	10.94	11.09
Middling Fair-----	11.31	11.16	11.06	11.21	11.46	11.61
STAINED.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Low Middling-----	8.60	8.45	8.35	8.50	8.75	8.90
Middling-----	9.60	9.45	9.35	9.50	9.75	9.90
Strict Low Middling Tinged	9.76	9.61	9.51	9.66	9.91	10.06
Good Middling Tinged-----	10.10	9.95	9.85	10.00	10.25	10.40

The quotations for middling upland at New York on October 20 for each of the past 32 years have been as follows:

1905 c. 10.40	1907 c. 6.3-16	1889 c. 10 9-16	1881 c. 11 1/4
1902 c. 10.15	1908 c. 7 15-16	1886 c. 9 1/4	1880 c. 11 3-16
1903 c. 9.80	1895 c. 4	1887 c. 9 1/2	1879 c. 10
1902 c. 8.70	1894 c. 5 1/2	1880 c. 9 5-16	1878 c. 10
1901 c. 8 1/4	1893 c. 8 9-16	1885 c. 9 13-16	1877 c. 11 5-16
1900 c. 9 1/4	1902 c. 8 1/4	1884 c. 9 15-16	1876 c. 10 7/8
1899 c. 7 3/4	1891 c. 8 5-16	1883 c. 10 9-16	1875 c. 14 1/4
1898 c. 5 1/4	1890 c. 10 1/4	1882 c. 11 1-16	1874 c. 15 1/4

MARKET AND SALES

The total sales of cotton on the spot each day during the week are indicated in the following statement. For the convenience of the reader we also add columns which show at a glance how the market for spots and futures closed on same days.

			Sales of Spot and Contract.			
			Ex- port.	Con- sum'n.	Con- tract.	Total.
Spot Market Closed.		Futures Market Closed.				
Saturday ..	Quiet	Steady	---	727	---	727
Monday ..	Quiet 15 pts. dec.	Steady	---	100	1,100	1,200
Tuesday ..	Quiet 10 pts. dec.	Very steady	---	700	---	700
Wednesday ..	Quiet 15 pts. adv.	Steady	---	---	1,600	1,600
Thursday ..	Quiet 25 pts. adv.	Steady	---	500	100	600
Friday ..	Quiet 15 pts. adv.	Steady	---	---	---	---
Total ..	---	---	---	2,027	2,800	4,827

FUTURES.—High, low and closing prices at New York.

	Saturday, Oct. 14.	Monday, Oct. 16.	Tuesday, Oct. 17.	Wednesday, Oct. 18.	Thursday, Oct. 19.	Friday, Oct. 20.	Week.
Oct. Range	9.50@	9.35@	9.32@	9.48@	9.70@	9.75	
Close	9.55	9.35	9.37	9.35	9.62	9.63	
Nov. Range	@	9.43@	9.56	9.38@	9.78@	9.87	
Close	9.63	9.45	9.45	9.47	9.68	9.69	
Dec. Range	9.69@	9.79	9.60@	9.72	9.55@	9.70	
Close	9.77	9.78	9.60	9.61	9.85@	9.83	
Jan. Range	9.77@	9.90	9.70@	9.82	9.83	9.93	
Close	9.87	9.88	9.72	9.65	9.70	9.82	
Feb. Range	9.89@	9.96	9.78	9.80	9.75	9.87	
Close	9.94	9.96	9.80	9.80	9.83	9.93	
March Range	9.93@	10.07	9.86@	9.97	9.78@	9.95	
Close	10.03	10.04	9.80	9.87	9.85	10.00	
April Range	10.00@	10.10	@	@	@	@	
Close	10.09	10.10	9.91	9.93	9.88	9.90	
May Range	10.03@	10.15	9.96@	10.07	9.88@	10.05	
Close	10.13	10.14	9.98	9.97	9.94	10.18	
June Range	@	10.18	@	@	@	@	
Close	@	@	@	@	@	@	
July Range	@	10.06@	10.00@	10.11@	10.30	10.33@	
Close	@	@	@	@	@	@	
August Range	@	@	@	@	@	@	
Close	@	@	@	@	@	@	
Sept. Range	@	@	@	@	@	@	
Close	@	@	@	@	@	@	
Oct. Range	@	@	@	@	@	@	
Close	@	@	@	@	@	@	

THE VISIBLE SUPPLY OF COTTON to-night, as made up by cable and telegraph, is as follows. Foreign stocks, as well as the afloat, are this week's returns, and consequently all foreign figures are brought down to Thursday evening. But to make the total the complete figures for to-night (Friday), we add the item of exports from the United States, including in it the exports of Friday only.

	October 1902.	October 1903.	October 1902.
Stock at Liverpool.....bales.	624,000	252,000	133,000
Stock at London.....	24,000	15,000	18,000
Stock at Manchester.....	32,000	10,000	10,587
Total Great Britain stock.....	680,000	277,000	161,587
Stock at Hamburg.....	17,000	19,000	33,000
Stock at Bremen.....	190,000	83,000	82,000
Stock at Antwerp.....		4,000	5,000
Stock at Havre.....	53,000	40,000	52,000
Stock at Marseilles.....	3,000	3,000	2,000
Stock at Barcelona.....	7,000	5,000	6,000
Stock at Genoa.....	14,000	17,000	9,000
Stock at Trieste.....	3,000	2,000	3,000
Total Continental stocks.....	287,000	194,000	209,000
Total European stocks.....	967,000	471,000	358,587
India cotton afloat for Europe.....	82,000	8,000	28,000
Amer. cotton afloat for Europe.....	596,000	739,000	634,000
Egypt, Brazil, &c., afloat for Europe.....	48,000	32,000	38,000
Stock in Alexandria, Egypt.....	70,000	90,000	67,000
Stock in Bombay, India.....	415,000	205,000	199,000
Stock in S. ports.....	9,865	9,865	63,201
Stock in U. S. interior towns.....	401,743	422,250	239,684
U. S. exports to-day.....	53,349	58,006	46,820

Total visible supply.....3,546,957 2,717,665 2,137,206 2,504,061
Of the above, totals of American and other descriptions are as follows:

<i>American—</i>				
Liverpool stock.....bales.	547,000	205,000	64,000	189,000
Manchester stock.....	29,000	8,000	8,748	
Continental stock.....	250,000	111,000	123,000	172,000
American afloat for Europe.....	596,000	739,000	634,000	589,000
U. S. stock.....	913,865	692,409	526,115	633,201
U. S. interior stocks.....	401,743	422,250	239,684	437,261
U. S. exports to-day.....	53,340	58,006	46,820	39,599

Total American	2,790,957	2,235,665	1,642,367	2,060,061
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	East Africa, Brazil, &c.	2,100,000	2,250,000	1,922,300	2,000,000
Liverpool stock.	77,000	47,000	69,000	56,000	
London stock	24,000	15,000	18,000	13,000	
Manchester stock	3,000	2,000	1,839		
Adventural stocks	37,000	83,000	74,000	37,000	
India and for Europe	82,000	80,000	23,000	24,000	
Egypt, Brazil, & Africa	8,000	32,000	38,000		
Stock in Alexandria, Egypt.	70,000	90,000	67,000	84,000	
Stock in Bombay, India.	415,000	205,000	199,000	182,000	

Total East India, &c.....	756,000	482,000	494,839	444,000
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Total East India, &c.	186,000	452,000	494,835
Total America	2,790,967	2,535,665	1,642,367
Total visible supply	3,546,957	2,717,665	2,137,206
Middling Upland, Liverpool	5.42d.	5.36d.	5.74d.
Middling Upland, New York	10.40c.	10.05c.	10.10c.
Egypt Good Broads, Liverpool	8.54d.	8.3-16d.	8.81d.
Peas Rought, Good, Liverpool	9.05d.	9.00d.	9.00d.
Broach Fine, Liverpool	5.7-16d.	5.54d.	5.7-16d.
Tinnevous Good, Liverpool	5.54d.	5.7-16d.	5.54d.

The above figures for 1905 show an increase over last week of 235,549 bales, a gain of 829,292 bales over 1904 and an excess of 1,409,751 bales over 1903.

AT THE INTERIOR TOWNS the movement—that is, the receipts for the week and since Sept. 1, the shipments for the week and the stocks to-night, and the same items for the corresponding period of the previous year—is set out in detail below.

Towns.	Receipts, Week.	Receipts, Since Sept. 1.	Shipments, Week.	Shipments, Since Sept. 1.	Stocks, Oct. 20.
Butte, Mont.	1,105	13,172	707	4,488	14,776
Montgomery, Ala.	8,528	74,673	22,819	12,443	88,666
Helena, Mont.	4,482	49,724	11,407	6,130	40,628
Little Rock, Ark.	6,842	16,612	3,607	7,400	10,467
Albany, Ga.	1,305	14,678	4,960	10,211	1,465
Atlanta, Ga.	3,430	34,122	3,298	16,634	6,529
Albany, N.Y.	4,053	20,398	2,871	12,345	6,416
Columbus, Ga.	1,046	17,356	12,374	23,314	31,383
Macomb, Mich.	4,158	32,289	1,929	12,380	6,760
Roma, N.Y.	1,521	9,125	881	3,887	13,285
Louisville, Ky.	3,246	831	271	25	360
Shreveport, La.	3,924	17,703	2,694	13,240	14,449
Greenville, S.C.	1,502	7,142	1,074	6,382	2,115
Greenwood, Miss.	3,000	7,750	800	5,000	6,000
Meridian, Miss.	1,987	17,138	871	12,676	6,971
Natchez, Miss.	1,802	6,112	401	4,384	4,125
Vicksburg, Miss.	2,012	7,035	152	6,793	4,127
St. Louis, Mo.	8,966	28,228	1,440	6,267	3,098
Chicago, Ill.	143	4,288	487	7,407	8,806
Indianapolis, Ind.	3,021	12,640	2,482	10,837	3,285
Cincinnati, Ohio	736	6,447	216	26,654	42,035
Memphis, Tenn.	34,303	76,164	21,628	46,686	109,212
Greenville, S.C.	3,206	1,891	1,189	660	1,940
Clarksville, Tenn.	400	1,053	300	1,137	1,235
Dallas, Tex.	4,682	23,409	2,783	4,096	6,437
Honey Grove, Tex.	1,500	5,844	1,200	1,501	2,360
Farms, Tex.	99,160	655,063	93,421	67,570	91,792
Total, 33 towns.	4,000	14,023	2,000	4,507	61,033

The above totals show that the interior stocks have increased during the week 55,793 bales, and are to-night 20,507 bales less than at the same period last year. The receipts at all the towns have been 61,402 bales less than the same week last year.

OVERLAND MOVEMENT FOR THE WEEK AND SINCE SEPT. 1.—We give below a statement showing the overland movement for the week and since Sept. 1, as made up from telegraphic reports Friday night. The results for the week and since Sept. 1 in the last two years are as follows:

Shipped—	1905		1904	
	Week.	Since Sept. 1.	Week.	Since Sept. 1.
Via St. Louis	7,870	28,411	9,348	28,869
Via Cairo	3,192	9,908	10,934	22,904
Via Rock Island	1,238	2,009	661	1,411
Via Louisville	3,172	1,805	1,975	5,619
Via Cincinnati	611	3,901	885	2,225
Via other routes, &c.	3,986	14,610	4,368	15,518
Total gross overland	18,702	66,900	28,171	80,546
Deduct shipments—				
Overland to N. Y., Boston, &c.	1,631	8,940	1,293	3,210
Between interior towns	48	375	117	814
Inland, &c., from South	534	5,396	625	4,657
Total to be deducted	2,213	14,711	2,035	8,181
Leaving total net overland	16,489	52,189	26,136	72,365

a Including movement by rail to Canada.

The foregoing shows the week's net overland movement this year has been 16,489 bales, against 26,136 bales for the week last year, and that for the season to date the aggregate net overland exhibits a decrease from a year ago of 20,176 bales.

In Sight and Spinners' Takings	1905		1904	
	Week.	Since Sept. 1.	Week.	Since Sept. 1.
Receipts at ports to Oct. 20	321,919	1,935,303	393,639	2,250,891
Net overland to Oct. 20	16,489	52,189	26,136	72,365
South'n consumption to Oct. 20	45,000	322,000	42,000	275,000
Total marketed	383,408	2,309,492	461,775	2,598,256
Interior stocks in excess	55,793	266,568	93,175	359,990
Came into sight during week	439,201		554,950	
Total in sight Oct. 20	2,576,058		2,958,246	
North. spin's takings to Oct. 20	66,729	268,983	59,305	266,610

Movement into sight in previous years.

Week—	Bales.	Since Sept. 1.—	Bales.
1903—Oct. 22	445,787	1903—Oct. 22	2,123,306
1902—Oct. 24	452,445	1902—Oct. 24	2,773,932
1901—Oct. 25	557,536	1901—Oct. 25	3,367,876
1900—Oct. 26	471,438	1900—Oct. 26	2,711,418

QUOTATIONS FOR MIDDLING COTTON AT OTHER MARKETS.—Below are the closing quotations of middling cotton at Southern and other principal cotton markets for each day of the week.

Week ending Oct. 20.	Closing Quotations for Middling Cotton on—					
	Sat'day.	Monday.	Tuesday.	Wed'day.	Thurs'd'y.	Friday.
Galveston	9 7/8	9 13-16	9 7/8	9 7/8	10	10 1/4
New Orleans	9 7/8	9 7/8	9 7/8	9 7/8	9 7/8	10 1/4
Mobile	9 9-16	9 9-16	9 9-16	9 7-16	9 7/8	9 13-16
Savannah	9 7/8	9 7-16	9 7-16	9 7-16	9 11-16	9 7/8
Charleston	9 7/8	9 7-16	9 7-16	9 7/8	9 7/8	9 7/8
Wilmington	9 7/8	9 7-16	9 7-16	9 7/8	9 7/8	9 7/8
Norfolk	9 7/8	9 11-16	9 11-16	9 11-16	9 7/8	10
Boston	10.10	10.10	9.95	9.85	10	10.25
Baltimore	10	9.88	9.88	9.88	10	10.25
Philadelphia	10.35	10.20	10.10	10.25	10.50	10.65
Augusta	9 11-16	9 9-16	9 7/8	9 11-16	9 15-16	10 1/4
Memphis	10	9 7/8	9 7/8	9 11-16	10 1/4	10 1/4
St. Louis	10 1/4	10 1/4	10	10	10 1/4	10 1/4
Houston	9 7/8	9 7/8	9 7/8	9 7/8	9 7/8	10 1/4
Little Rock	9 11-16	9 11-16	9 7-16	9 7/8	9 7/8	9 7/8

The closing quotations to-day (Friday) at other important Southern markets were as follows:

Atlanta	9 9-16	Louisville	10 1/4	Natchez	9 11-16
Columbus, Ga.	9 7/8	Montgomery	9 7-16	Raleigh	9 7/8
Columbus, M.	9 7/8	Nashville	9 7/8	Shreveport	9 9-16

NEW ORLEANS OPTION MARKET.—The highest, lowest and closing quotations for leading options in the New Orleans cotton market the past week have been as follows:

	Sat'day, Oct. 14.	Monday, Oct. 16.	Tuesday, Oct. 17.	Wed'day, Oct. 18.	Thursday, Oct. 19.	Friday, Oct. 20.
October—						
Range	9.74-75	—	9.46-61	9.72-77	9.83-92	10.06-13
Closing	9.68	9.52-55	9.53-56	9.75-77	9.85-87	10.12-14
December—						
Range	9.71-80	9.58-73	9.51-72	9.64-82	9.89-93	10.09-23
Closing	9.76-77	9.60-61	9.60-61	9.81-82	9.94-95	10.22-23
January—						
Range	9.79-88	9.67-98	9.60-80	9.72-91	9.98-12	10.18-32
Closing	9.85-86	9.69-70	9.69-70	9.90-91	10.03-04	10.31-32
March—						
Range	9.98-07	9.85-00	9.78-00	9.91-11	10.17-30	10.36-50
Closing	10.03-04	9.87-88	9.87-88	10.00-10	10.22-23	10.50-51
May—						
Range	10.10-17	9.96-10	9.89-07	10.02-21	10.29-42	10.49-62
Closing	10.13-15	9.97-98	9.99-00	10.21-22	10.33-34	10.61-62
Options	Spot	Quiet.	Easy.	Firm.	Firm.	Firm.
		Steady.	Steady.	Ve'y st'y	Steady.	Steady.

WEATHER REPORTS BY TELEGRAPH.—Advices to us this evening by telegraph from the South denote that the temperature has been rather low at some points during the week, but no damaging frosts are reported by our correspondents except in North Texas and the Territories. On the whole, where rain has fallen the precipitation has been moderate, but in portions of Texas and in a few districts elsewhere wet weather has interfered somewhat with the gathering of the crop. From Mobile and Augusta we are advised that picking is nearing completion in those vicinities, and Selma reports the crop all picked on uplands.

Galveston, Texas.—Damage is reported to late cotton in North Texas and the Territories by to-day's frost. Recent heavy rains in portions of the State will delay picking and also cause damage to open cotton. It has rained on one day of the week, the precipitation reaching forty hundredths of an inch. The thermometer has ranged from 62 to 83, averaging 73.

Abilene, Texas.—We have had rain on one day during the week, to the extent of ninety-two hundredths of an inch. Average thermometer 65, highest 86, lowest 44.

Brenham, Texas.—There has been rain one day the past week, the rainfall being ninety-two hundredths of an inch. The thermometer has averaged 77, the highest being 94 and the lowest 55.

Corpus Christi, Texas.—There has been rain on one day of the week, the rainfall being eight hundredths of an inch. The thermometer has averaged 73, ranging from 56 to 90.

Cuero, Texas.—We have had rain on one day during the week, the rainfall reaching forty-four hundredths of an inch. The thermometer has ranged from 55 to 93, averaging 74.

Fort Worth, Texas.—Rain has fallen on three days of the week, the precipitation being one inch and forty-four hundredths. The thermometer has averaged 78, the highest being 90 and the lowest 46.

Huntsville, Texas.—There has been heavy rain on one day of the week, the rainfall being one inch and forty-three hundredths. The thermometer has averaged 71, ranging from 50 to 92.

Kerrville, Texas.—We have had rain on three days during the week, the rainfall being eighty-two hundredths of an inch. Average thermometer 67, highest 87, lowest 46.

Lampasas, Texas.—We have had heavy rain on two days of the week, the precipitation reaching two inches and twenty-two hundredths. The thermometer has averaged 69, the highest being 90 and the lowest 47.

Longview, Texas.—It has rained on three days during the week, to the extent of one inch and twenty-six hundredths. The thermometer has averaged 69, ranging from 47 to 90.

Luling, Texas.—We have had heavy rain on one day during the week, the rainfall reaching one inch and thirty-five hundredths. The thermometer has ranged from 54 to 92, averaging 78.

Nacogdoches, Texas.—We have had rain on two days during the week, the rainfall being fifty-nine hundredths of an inch. Average thermometer 73, highest 92 and lowest 54.

Palestine, Texas.—It has rained heavily on three days of the week, the rainfall reaching two inches and two hundredths. The thermometer has averaged 69, the highest being 88 and the lowest 50.

Paris, Texas.—It has rained heavily on three days of the week, the rainfall reaching two inches and seventy-three hundredths. The thermometer has averaged 65, ranging from 44 to 86.

San Antonio, Texas.—We have had rain on one day during the week, the rainfall reaching sixty-two hundredths of an inch. The thermometer has ranged from 54 to 90, averaging 72.

Weatherford, Texas.—We have had rain on two days during the week, the rainfall being one inch and thirty-eight hundredths. Average thermometer 66, highest 85, lowest 45.

New Orleans, Louisiana.—It has rained on one day of the week, the rainfall reaching seventy-six hundredths of an inch. The thermometer has averaged 74.

Shreveport, Louisiana.—There has been rain on one day of the week, the rainfall being twenty-four hundredths of an inch. The thermometer has averaged 69, ranging from 49 to 88.

Columbus, Mississippi.—The crop is thirty per cent short of last year. Picking is progressing satisfactorily. There is no top crop. Frost would do but little damage. There has been no rain during the week. The thermometer has ranged from 60 to 88, averaging 72.

Leland, Mississippi.—We have had rain on one day during the week, to the extent of ten hundredths of an inch. Average thermometer 66.4, highest 88, lowest 39.

Helena, Arkansas.—Rain has interfered slightly with picking. Not much top crop is expected. We have had rain on two days during the week, the rainfall reaching one inch and forty-six hundredths. The thermometer has ranged from 36 to 83, averaging 70.

Nashville, Tennessee.—Picking is progressing as rapidly as weather conditions will permit. Planters are inclined to sell. It has rained during the week, the rainfall reaching one inch and thirty-five hundredths. The thermometer has averaged 65, ranging from 48 to 81.

Memphis, Tennessee.—Picking made rapid progress until interrupted by heavy rains the latter part of the week. There has been rain on three days the past week, the rainfall being four inches and seventy-six hundredths. The thermometer has averaged 68.5, the highest being 82.2 and the lowest 51.7.

Mobile, Alabama.—Rain in the interior in the early part of the week interfered with picking; otherwise that work has made fair progress and is nearing completion in some sections. Planters generally are holding for higher prices. We have had rain on two days during the week, the rainfall reaching seventy-five hundredths of an inch.

Montgomery, Alabama.—We have had rain on one day during the week, the rainfall being ninety-four hundredths of an inch. Average thermometer 69, highest 86, lowest 45.

Selma, Alabama.—Crop on uplands has all been gathered and shows short yield. We have had rain on one day of the week, the precipitation reaching seventy-two hundredths of an inch. The thermometer has averaged 68, the highest being 86 and the lowest 43.

Madison, Florida.—It has been dry all the week. The thermometer has averaged 68, ranging from 50 to 86.

Savannah, Georgia.—Dry all the week. Average thermometer 71, highest 84, lowest 50.

Smyrna, Georgia.—It has rained on one day of the week, the rainfall reaching eighteen hundredths of an inch. The thermometer has averaged 65, the highest being 80 and the lowest 43.

Augusta, Georgia.—Cotton picking is drawing to a close. There is a disposition to hold cotton for higher prices. There has been a trace of rain on one day during the week. The thermometer has ranged from 42 to 85, averaging 69.

Charleston, South Carolina.—There has been a trace of rain on two days of the week. The thermometer has averaged 70, ranging from 55 to 82.

Greenwood, South Carolina.—We have had no rain during the week. The thermometer has ranged from 51 to 74, averaging 62.

Charlotte, North Carolina.—It has rained to an inappreciable extent on one day of the week. The thermometer has averaged 66, the highest being 83 and the lowest 49.

The following statement we have also received by telegraph, showing the height of the rivers at the points named, at 8 a. m. of the dates given the last two years:

	Oct. 20 1905.	Oct. 21 1904.
New Orleans.....Above zero of gauge.	5.1	3.9
Memphis.....Above zero of gauge.	5.9	3.2
Nashville.....Above zero of gauge.	10.8	6.6
Shreveport.....Above zero of gauge.	0.5	0.2
Vicksburg.....Above zero of gauge.	9.1	5.0

INDIA COTTON MOVEMENT FROM ALL PORTS.—The receipts of cotton at Bombay and the shipments from all India ports for the week and for the season from Sept. 1 for three years have been as follows:

October 19. Receipts at—	1905.		1904.		1903.	
	Week.	Since Sept. 1.	Week.	Since Sept. 1.	Week.	Since Sept. 1.
Bombay.....	7,000	50,000	6,000	48,000	4,000	38,000
Exports from—	For the Week.			Since September 1.		
	Great Britain.	Continent.	Total.	Great Britain.	Continent.	Total.
Bombay—						
1905.....	-----	2,000	2,000	8,000	50,000	58,000
1904.....	-----	-----	-----	-----	1,000	1,000
1903.....	-----	-----	-----	2,000	20,000	22,000
Calcutta—						
1905.....	1,000	-----	1,000	1,000	2,000	3,000
1904.....	-----	1,000	1,000	-----	3,000	3,000
1903.....	-----	-----	-----	-----	4,000	4,000
Madras—						
1905.....	-----	1,000	1,000	-----	5,000	5,000
1904.....	-----	-----	-----	-----	1,000	1,000
1903.....	-----	-----	-----	-----	1,000	1,000
All others—						
1905.....	-----	2,000	2,000	-----	26,000	26,000
1904.....	-----	3,000	3,000	-----	21,000	21,000
1903.....	-----	3,000	3,000	-----	19,000	19,000
Total all—						
1905.....	1,000	5,000	6,000	9,000	83,000	92,000
1904.....	-----	4,000	4,000	-----	26,000	26,000
1903.....	-----	3,000	3,000	2,000	44,000	46,000

ALEXANDRIA RECEIPTS AND SHIPMENTS OF COTTON.—Through arrangements made with Messrs. Choremi, Benachi & Co., of Liverpool and Alexandria, we now receive a weekly cable of the movements of cotton at Alexandria, Egypt. The following are the receipts and shipments for the past week and for the corresponding week of the previous two years:

<i>Alexandria, Egypt, Oct. 18.</i>		1905.	1904.	1903.		
<i>Receipts (cantars a)</i>						
This week -----		220,000	215,000	265,000		
Since Sept 1 -----		644,062	767,484	974,146		
<i>Exports (bales)—</i>		<i>This week.</i>	<i>Since Sept. 1.</i>	<i>This week.</i>	<i>Since Sept. 1.</i>	
To Liverpool -----	5,250	22,616	2,750	19,517	7,000	27,641
To Manchester -----	5,750	9,287		10,908		7,934
To Continent -----	7,750	28,181	5,000	30,969	8,000	33,974
To America -----	2,000	5,958	400	3,694	500	1,775
Total exports -----	20,750	66,042	8,150	65,088	15,500	71,324

a A cantar is 98 lbs.

MANCHESTER MARKET.—Our report received by cable to-night from Manchester states that the market is quiet for both yarns and shirtings. The demand for India is improving. We give the prices for to-day below and leave those for previous weeks of this and last year for comparison.

	1905.				1904.			
	32s Cop.	32s Cop.	32s Cop.	32s Cop.	32s Cop.	32s Cop.	32s Cop.	32s Cop.
Sept. 15.....	8 1/4 @ 9 1/4	8 1/4 @ 9 1/4	8 1/4 @ 9 1/4	8 1/4 @ 9 1/4	8 1/4 @ 9 1/4	8 1/4 @ 9 1/4	8 1/4 @ 9 1/4	8 1/4 @ 9 1/4
22.....	8 7/16 @ 9 1/4	8 7/16 @ 9 1/4	8 7/16 @ 9 1/4	8 7/16 @ 9 1/4	8 7/16 @ 9 1/4	8 7/16 @ 9 1/4	8 7/16 @ 9 1/4	8 7/16 @ 9 1/4
29.....	8 7/16 @ 9 1/4	8 7/16 @ 9 1/4	8 7/16 @ 9 1/4	8 7/16 @ 9 1/4	8 7/16 @ 9 1/4	8 7/16 @ 9 1/4	8 7/16 @ 9 1/4	8 7/16 @ 9 1/4
Oct. 6.....	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9
13.....	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9
20.....	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9	8 1/4 @ 9

NEW ENGLAND COTTON MILL SITUATION.—Increase in Wages and Profit-Sharing Plan at Fall River.—In a letter dated Oct. 17th, Mr. C. M. Hathaway, Secretary of the Fall River Cotton Manufacturers' Association, announces to the mill operatives that an advance in wages of 5 per cent beginning Monday October 23 has been decided upon. The manufacturers have also agreed to adopt a system of profit-sharing as follows: "When the average margin between the cost of eight pounds of middling upland cotton in New York and the value of 45 yards of 28-inch 64x64 print cloths shall exceed 75 cents, they will pay at the end of each period of four weeks from October 23 1905 to all operatives who have been in their employ two weeks or more a dividend on their earnings during said period of 1 per cent for every cent the margin shall exceed 75 cents until the margin reaches 85 cents, and one-half of 1 per cent for every cent in excess of 85 cents."

Twenty-one cents per cut is fixed by the scale as the maximum rate for weaving, which figure would be reached when the margin is at 95c. The margin to-day is about 83c. Should this margin hold for four weeks from October 23, the operatives will receive an additional wage of 8 per cent on what they have earned in that period. The price paid for weaving before the wage reduction of last year was 19.8c. It is now about 17.35c., will be raised to about 18.2c. on Monday, and when the margin of 85c. prevails weavers will be paid 20c. per cut.

It is stated that the scale is satisfactory to those operatives to whom it has been explained.

Following the action of the Manufacturers' Association, Mr. M. C. D. Borden ordered the posting of notices in the Iron Works Mills to the effect that, beginning with Monday

next, wages of operatives would be restored to the scale in force prior to January 23 1905. This amounts to an immediate increase slightly in excess of 14%.

JUTE BUTTS, BAGGING, &C.—The market for jute bagging has been very dull during the week under review, with prices nominally unchanged at 6½c. for 1¼ lbs. and 6¾c. for 2 lbs. standard grades. Jute butts also dull at 1½ @ 1¾c. for paper quality and 2@2¼c. for bagging quality.

SHIPPING NEWS.—As shown on a previous page, the exports of cotton from the United States the past week have reached 266,327 bales. The shipments in detail, as made up from mail and telegraphic returns, are as follows:

	Total bales.
NEW YORK—To Liverpool, per steamers Baltic, 1,386.	5,075
Cedric (additional), 1,000 Celtic, 2,689.	1,800
To Hull, per steamer Consuelo, 1,800.	200
To London, per steamer Minnetonka, 200.	10
To Havre, per steamer Montreal, 10 foreign.	306
To Bremen, per steamer Oldenburg, 306.	500
To Antwerp, per steamers British Princess, 400.	2,347
To Genoa, per steamers Koenigen Luise, 1,405.	1,670
To Naples, per steamer Koenigen Luise, 1,670.	50
To Trieste, per steamer Slavonia, 50.	200
To Fiume, per steamer Slavonia, 200.	500
To China, per steamer Montrose, 500.	
NEW ORLEANS—To Liverpool—Oct. 17—Steamer Barbadian, 3,027.	20,066
Oct. 18—Steamer Politician, 17,039.	850
To London—Oct. 17—Steamer Californian, 850.	3,000
To Belfast—Oct. 19—Steamer Ramore Head, 3,000.	22,094
To Havre—Oct. 16—Steamer Magician, 12,767.	8,003
Steamer Californian, 9,327.	475
To Bremen—Oct. 17—Steamer Etonian, 8,003.	45,865
To Antwerp—Oct. 17—Steamer Etonian, 475.	24,834
GALVESTON—To Liverpool—Oct. 12—Steamer Irada, 23,173.	6,850
Oct. 8—Steamer Irishman, 22,692.	17,633
To Havre—Oct. 16—Steamer Madawaska, 13,163.	2,397
Steamer Counsellor, 11,671.	6,526
To Dunkirk—Oct. 18—Steamer Almerian, 6,850.	
To Bremen—Oct. 14—Steamer Frankfurt, 12,168.	
16—Steamer Hornfels, 5,465.	
To Hamburg—Oct. 13—Steamer Meridian, 2,397.	
PORT ARTHUR—To Bremen—Oct. 19—Steamer Holmeside, 6,526.	
MOBILE—Oct. 18—Steamer Almerian, 6,850.	
SAVANNAH—To Bremen—Oct. 13—Steamers Glenmay, 8,053.	
Lord Ormonde, 4,476.	
Oct. 14—Steamers Alexandrian, 13,784.	46,066
Mississippi, 19,753.	
To Reval—Oct. 13—Steamers Glenmay, 1,009.	
Lord Ormonde, 4,734.	
Oct. 14—Steamers Alexandrian, 520.	7,863
Mississippi, 1,000.	
To Riga—Oct. 13—Steamer Lord Ormonde, 100.	
Oct. 14—Steamers Alexandrian, 300.	2,200
Mississippi, 1,800.	
To St. Petersburg—Oct. 13—Steamer Lord Ormonde, 100.	
Oct. 14—Steamer Alexandrian, 100.	200
To Norrköping—Oct. 13—Steamer Lord Ormonde, 100.	
To Gothenburg—Oct. 14—Steamer Alexandrian, 100.	100
To Oporto—Oct. 14—Steamer Alexandrian, 200.	200
To Barcelona—Oct. 17—Steamer Citta di Messina, 5,700.	5,700
To Genoa—Oct. 17—Steamer Citta di Messina, 1,100.	1,100
WILMINGTON—To Liverpool—Oct. 17—Steamer Haverstoe, 13,700.	13,700
To Bremen—Oct. 19—Steamer David Mainland, 5,637.	5,637
NORFOLK—To Hamburg—Oct. 16—Steamer Pisa, 1,200.	1,200
BOSTON—To Liverpool—Oct. 17—Steamer Bohemian, 691.	691
To Manchester—Oct. 14—Steamer Caledonian, 620.	620
BALTIMORE—To Liverpool—Oct. 13—Steamer Quernmore, 5,930.	5,930
To Bremen—Oct. 18—Steamer Brandenburg, 981.	981
To Hamburg—Oct. 13—Steamer Arctis, 100.	100
PHILADELPHIA—To Liverpool—Oct. 13—Steamer Westernland, 988.	988
To Manchester—Oct. 13—Steamer Manchester Corporation, 1,100.	1,100
SAN FRANCISCO—To Japan—Oct. 17—Steamer Algoa, 600.	600
Total.	266,327

LIVERPOOL.—By cable from Liverpool we have the following statement of the week's sales, stocks, &c., at that port:

	Sept. 29.	Oct. 6.	Oct. 13.	Oct. 20.
Sales of the week..... bales.	49,000	54,000	52,000	64,000
Of which exporters took.....	1,000	2,000	2,000	2,000
Of which speculators took.....	2,000	2,000	1,000	3,000
Sales American.....	41,000	47,000	47,000	53,000
Actual export.....	9,000	7,000	5,000	4,000
Forwarded.....	47,000	75,000	71,000	64,000
Total stock—Estimated.....	661,000	660,000	653,000	624,000
Of which American—Est.....	591,000	595,000	573,000	547,000
Total import of the week.....	45,000	81,000	69,000	38,000
Of which American.....	32,000	75,000	36,000	32,000
Amount afloat.....	181,000	187,000	200,000	290,000
Of which American.....	153,000	155,000	180,000	247,000

The tone of the Liverpool market for spots and futures each day of the past week and the daily closing prices of spot cotton have been as follows:

Spot.	Saturday.	Monday.	Tuesday.	Wed. day.	Thursday.	Friday.
Market, 12-30 P. M.	Quiet.	Fair business doing.	Fair business doing.	Good demand.	Good demand.	Quiet.
Mid. Up'ds	5.30	5.31	5.26	5.27	5.40	5.42
Sales -----	7,000	8,000	8,000	10,000	10,000	10,000
Spec. & exp.	1,000	500	500	1,000	1,000	
Futures.	Steady at 3 pta. decline.	Quiet at 3 pta. advance.	Steady at 3 pta. decline.	Quiet at 3 pta. decline.	Irregular at 6 pta. advance.	St'dy unch. to 1 pt. advance.
Market, 4 P. M.	Quiet at 3 pta. decline.	Quiet at 3 pta. decline.	Steady at 1 pta. advance.	Very ste'dy at 2 pta. to 1 pt. ad.	Steady at 1 pta. advance.	Feverish at 10 pta. to 11 pta. advance.

The prices of futures at Liverpool for each day are given below. Prices are on the basis of Uplands, Good Ordinary clause, unless otherwise stated.

The prices are given in pence and 100th. Thus: 5 21 means 5 21-100d.

	Sat. Oct. 14.	Mon. Oct. 16.	Tues. Oct. 17.	Wed. Oct. 18.	Thurs. Oct. 19.	Fri. Oct. 20.
	12½ 1 p.m.	12½ 4 p.m.	12½ 4 p.m.	12½ 4 p.m.	12½ 4 p.m.	12½ 4 p.m.
October....	d. d.	d. d.	d. d.	d. d.	d. d.	d. d.
Oct.-Nov....	5 21½ 21½	23½ 18½	5 18½ 21½	5 19½ 22½	5 32½ 34½	5 34½ 44
Nov.-Dec....	5 21½ 21½	23½ 18½	5 18½ 21½	5 19½ 22½	5 32½ 34½	5 34½ 44
Dec.-Jan....	5 25½ 25½	27½ 22½	5 21½ 24½	5 21½ 24½	5 33½ 35½	5 35½ 45
Jan.-Feb....	5 29½ 29½	31½ 26½	5 28½ 28½	5 32½ 28½	5 37½ 39½	5 39½ 49
Feb.-Mch....	5 31½ 32½	34½ 29½	5 28½ 31½	5 28½ 30½	5 39½ 42½	5 42½ 52
Mch.-Apr....	5 33½ 34½	36½ 31½	5 30½ 33½	5 30½ 32½	5 41½ 44½	5 44½ 54
Apr.-May....	5 36½ 37½	39½ 34½	5 33½ 36½	5 33½ 34½	5 44½ 46½	5 47½ 57
May-June....	5 39½ 39½	41½ 36½	5 35½ 38½	5 34½ 36½	5 46½ 48½	5 48½ 59
June-July....	5 41½ 41½	43½ 38½	5 37½ 40½	5 36½ 38½	5 47½ 50½	5 50½ 60
July-Aug....	5 43½ 43½	44½ 40½	5 39½ 41½	5 38½ 39½	5 48½ 51½	5 51½ 61
Aug.-Sept....	5 44½ 44½	46½ 41½	5 40½ 42½	5 39½ 40½	5 49½ 52½	5 52½ 62

BREADSTUFFS.

Friday, Oct. 20 1905.

Business in the market for wheat flour has been more active. The continued firmness of prices for the grain has had a stimulating effect upon buyers, especially as some of the contracts made by them were becoming exhausted. Fairly good sales of both spring and winter-wheat flours were reported and there has been some improvement in prices. City mills have had a fair sale at firm prices. The demand for rye flour has been quiet. Buckwheat flour has been quiet and easier. Corn meal has had a moderate sale at steady prices.

Speculation in wheat for future delivery has been moderately active and the tendency of prices has continued towards a higher basis. The cable advices from Europe have reported firm markets, and this has had a strengthening influence locally. Weather conditions in the West have been somewhat unsettled and the receipts of wheat at the North-western markets are reaching only moderate figures. During the week cable advices were received from Argentina reporting damage to the wheat crop of that country by locusts, and these reports had a bullish effect upon values. The export business in wheat was reported quiet early in the week, but it became more active toward the close. The agitation to relieve the congestion and car-shortage for the movement of grain at Buffalo is meeting with some success and shipments out of Buffalo are now being made more freely. To-day the market declined early. Subsequently, however, on stronger advices from the West there was an advance and the close was firmer. The spot market was firm but quiet.

DAILY CLOSING PRICES OF WHEAT FUTURES IN NEW YORK.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
No. 2 red winter..... f.o.b. 91	91½	92½	93½	92½	92½	92½
December delivery in elevator.....	90½	90½	91½	92½	91½	92½
May delivery in elevator.....	90½	90½	90½	91½	90½	90½

DAILY CLOSING PRICES OF WHEAT FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December delivery in elevator.....	85½	85½	86½	87	86½	86½
May delivery in elevator.....	86½	86½	87½	87½	86½	87½
July delivery in elevator.....	83½	83½	83½	82½	83½	83½

Indian corn futures have received a moderate amount of speculative attention. Early in the week prices declined under fairly liberal offerings and continued favorable weather conditions for the crop. Subsequently, however, the market turned firmer. Rains were reported in the corn belt, being unfavorable for curing and moving the new crop. Exporters were moderate buyers in the cash market, and the fact that exporters were free buyers of barley, indicating that Europe's requirements of feedstuffs will be large, attracted some attention and operated in favor of prices. To-day the market was easier under more favorable weather advices. The spot market was fairly active, exporters being the buyers; prices were slightly lower.

DAILY CLOSING PRICES OF NO. 2 MIXED CORN IN NEW YORK.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Cash corn..... f.o.b. nom.	nom.	60½	60½	61½	61	61
December delivery in elevator.....	54	53½	54½	54½	54½	54½
January delivery in elevator.....	51½	51½	51½	51½	51½	51½
May delivery in elevator.....	49½	49½	50½	50½	50	50½

DAILY CLOSING PRICES OF NO. 2 MIXED CORN IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
October delivery in elevator.....	50½	50	50	50½	50½	50½
December delivery in elevator.....	44½	44½	44½	44½	44½	44½
May delivery in elevator.....	43½	43½	44½	44½	44½	44½
July delivery in elevator.....	43½	43½	44½	44½	44½	44½

Oats for future delivery at the Western market have been moderately active, and there has been a fractional advance in prices. The crop movement has continued on a liberal scale and stocks are large. Speculative support, however, continues to be given the market, and this, coupled with an active interest shown by exporters had a steadying effect upon values. To-day the market was quiet but steady.

DAILY CLOSING PRICES OF OATS IN NEW YORK.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
No. 2 mixed..... f.o.b. 33½	33½	33½	33½	33½	33½	33½
No. 2 white, clipped..... f.o.b. 35	35	35	35	35	35	35

DAILY CLOSING PRICES OF NO. 2 MIXED OATS IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
October delivery in elevator.....	28½	28½	28½	29	28½	28½
December delivery in elevator.....	28½	28½	28½	29	28½	28½
May delivery in elevator.....	30½	30½	31½	31½	31	31
July delivery in elevator.....	29½	29½	30½	30½	30½	30

STATE AND CITY DEPARTMENT.

News Items.

New York State.—Population of the cities of New York State.—The Secretary of State sends us the following announcement regarding the population of the various cities in the State of New York:

The 44 cities for which announcements of population have been made, representing all the cities of the State except Greater New York, have a combined population, according to the recent State enumeration, of 1,686,287, as compared with a total population for substantially the same areas in 1900 of 1,506,931 and in 1890 of 1,220,512. There has been an increase, therefore, in the 44 cities, taken as a whole, during the past five years of 179,356, or not quite 12 (11.9) per cent, as against an increase during the preceding ten years of 286,419 or 23.4 per cent. The population of each of the 44 cities in 1905, 1900 and 1890, is given in the following table, the cities being arranged in the order of their population in 1905:

City	1905.	1900.	1890.	Inc. 1905 over 1900 Per Cent.
Buffalo	376,618	352,387	255,664	6.8
Rochester	181,672	162,608	133,896	11.7
Syracuse	117,498	108,374	88,143	8.4
Albany	98,370	94,151	94,923	4.4
Troy	87,861	60,651	60,956	26.7
Utica	62,935	56,353	44,007	11.0
Yonkers	61,716	47,621	32,033	28.7
Schenectady	58,369	31,682	19,902	84.2
Binghamton	42,040	39,647	35,005	6.0
Elmira	34,692	35,672	30,893	12.7
Auburn	31,423	30,345	25,858	3.5
Niagara Falls	26,559	19,457	10,408	36.5
Newburgh	26,500	24,943	23,087	6.2
Jamestown	26,160	22,892	16,038	14.3
Kingston	25,557	24,535	21,261	4.1
Watertown	25,447	21,696	14,725	17.3
Poughkeepsie	25,379	24,029	22,206	5.6
Mt. Vernon	25,006	21,228	10,830	17.8
Cohoes	24,183	23,910	22,509	1.1
Amsterdam	23,943	20,929	17,336	14.4
Oswego	22,572	22,199	21,842	1.7
New Rochelle	20,480	14,720	9,057	39.1
Gloversville	18,672	18,349	13,864	1.7
Lockport	17,552	16,581	16,038	5.8
Rome	16,567	15,343	14,991	7.9
Dunkirk	15,251	11,616	9,416	31.3
Ithaca	14,615	13,136	11,079	11.3
Watervliet	14,600	14,321	12,967	1.9
Middletown	14,516	14,522	11,977	10.0
Corning	13,515	11,061	8,560	22.2
Hornellsville	13,259	11,018	10,996	11.3
Ogdensburg	13,179	12,633	11,662	4.3
Geneva	12,250	10,433	7,557	17.4
Cortland	11,272	9,014	8,590	25.0
Little Falls	11,122	10,381	8,783	7.1
Rensselaer	10,715	7,466	7,301	43.5
Hudson	10,290	9,528	9,970	8.0
No. Tonawanda	10,157	9,009	4,793	12.0
Plattsburg	9,898	8,434	7,010	17.3
Olean	9,860	9,462	7,358	4.2
Johnstown	9,845	10,130	7,768	12.8
Fulton	8,848	8,206	6,035	7.8
Oneida	8,420	7,538	6,083	11.7
Tonawanda	8,304	7,421	7,145	6.5

Totals 1,686,287 1,506,931 1,220,512

a Estimated. b Population of Plattsburgh Village. c Decrease.
d Territory increased since 1900. e Incorporated since 1900.

Bond Calls and Redemptions.

Bernalillo County, N. Mex.—Bond Call.—The County Commissioners call for payment Nov. 15 at the Chemical National Bank in New York City or at N. W. Harris & Co., Chicago, the following funding bonds:

Series "A," bonds Nos. 1 to 102 inclusive. Denomination \$500.
Series "B," bonds Nos. 1 to 139 inclusive. Denomination \$100.

Securities are dated July 1 1895; and are subject to call after 10 years.

The official notice of this bond call will be found among the advertisements elsewhere in this Department.

New Orleans, La.—Premium Bonds Drawn.—The following premium bonds of the City of New Orleans were drawn by lot on Oct. 16 1905 (for payment Jan. 15 1906), this being the one hundredth and twentieth allotment:

Series Nos. 528, 538, 948, 965, 966, 1198, 1309, 1955, 2031, 2151, 2169, 2407, 2646, 2861, 3126, 3687, 3693, 4075, 4161, 4283, 4474, 4504, 4648, 4749, 4905, 5082, 5089, 5307, 5328, 5329, 5852, 6428, 6698, 6896, 6901, 6549, 6711, 6926, 7301, 7312, 7459, 7662, 7790, 7792, 8020, 8129, 8351, 8363, 8575, 9475.

Series Nos. 6734 to 10,000 were never issued.

Bond Proposals and Negotiations this week have been as follows:

Adams County (P. O. Decatur), Ind.—Bond Offering.—Proposals will be received until 10 a. m. Nov. 6 by J. H. Voglewede, County Treasurer, for \$11,480 4½% coupon (French Township) macadam-road-construction bonds. Denomination \$574. Date Sept. 15 1905. Interest semi-annually at the First National Bank of Decatur. Maturity \$574 each six months from May 15 1906 to Nov. 15 1915 inclusive. Certified check for 3% of bid required.

Adrian, Ga.—Bond Offering.—Proposals will be received until 1 p. m. Nov. 6 by W. J. Curry, Mayor, for \$8,000 5% school bonds. Denomination \$100. Date July 1 1904. Interest semi-annual. Maturity July 1 1934. Certified check for 2% required.

Allentown School District No. 3, Town of Alma, Allegheny County, N. Y.—Bond Not Sold.—No sale has yet been made of the \$10,000 4% bonds which this district offered for sale on Sept. 25. Denomination \$1,000. Interest annual. Maturity \$1,000 yearly on Dec. 1 from 1906 to 1915 inclusive.

Ashland, Ohio.—Bond Sale.—On Oct. 16 the three issues of 5% bonds described in V. 81, p. 1000, were awarded as follows:

\$1,200 5% College Boulevard improvement bonds maturing \$100 every six months from Sept. 1 1906 to March 1 1912 inclusive. Awarded to Central Trust & Safe Deposit Co. of Cincinnati for \$1,230.
\$10,500 5% Sandusky St. improvement bonds maturing \$750 every six months from Sept. 1 1906 to March 1 1913 inclusive. Awarded to First National Bank, Ashland, for \$10,842.
\$80 5% Seventh Street improvement bonds maturing one bond yearly on Sept. 1 from 1906 to 1913 inclusive. Awarded to Central Trust & Safe Deposit Co. of Cincinnati for \$878 18.

Aurora, St. Louis County, Minn.—Bonds Not Yet Sold.—No sale has yet been made of the \$8,500 6% 1-17-year (serial) improvement bonds offered without success on July 17. See V. 81, p. 44, for description of bonds.

Belmont, Mass.—Bond Sale.—On Oct. 13 \$30,000 4% 1-10-year (serial) coupon street bonds were awarded to Geo. A. Fernald & Co. of Boston at 102.173 and \$10,000 3½% 25-year coupon sewer bonds were disposed of to Blake Bros. & Co. of Boston at 100.28. Following are the bids:

	\$30,000 4% Bonds	\$10,000 3½% Bonds
Geo. A. Fernald & Co., Boston	102.173	100.28
Blake Bros. & Co., Boston	102.16	100.
Jose, Parker & Co., Boston	102.065	100.
Jackson & Curtis, Boston	101.981	100.051
R. L. Day & Co., Boston	101.937	100.059
N. W. Harris & Co., Boston	101.892	100.
Blodgett, Merritt & Co., Boston	101.84	100.
Parson, Leach & Co., Boston	101.746	100.
H. I. Hahn & Co.	101.13	100.

Denomination \$1,000. Date Oct. 2 1905. Interest semi-annually in Boston.

Bowman (S. C.) School District No. 65.—Bond Election.—An election will be held Oct. 26 to vote on the question of issuing the \$5,000 5% coupon school-building bonds mentioned in V. 81, p. 224. This is the second time this proposition has been submitted to a vote, the first election election having been deemed illegal by lawyers.

Bucyrus, Ohio.—Bond Offering.—Proposals will be received until 12 m. Nov. 9 by W. H. Iams, City Auditor, for \$3,000 5% fire-department bonds. Denomination \$500. Date Sept. 1 1905. Interest semi-annual. Maturity \$1,000 yearly on Sept. 1 from 1906 to 1908 inclusive. Certified check for \$100, payable to the City Treasurer, required. Purchaser to pay accrued interest.

Burlington, Kan.—Description of Bonds.—The \$16,500 4½% water-works bonds recently sold to the State School Fund at par (see V. 81, p. 1201) are in denomination of \$1,000 dated Oct. 1 1905. Interest semi-annual. Maturity Oct. 1 1925, subject to call after Oct 1 1908.

Butte, Mont.—Bond Offering.—Further details are at hand relative to the offering on Nov. 15 of \$400,000 4½% funding and refunding bonds of this city. As already stated, these bonds will be offered at public auction at 2 p. m. on that day at the City Council Chamber. Authority election held Sept. 12 1905. Denomination \$1,000. Date Dec. 1 1905. Interest semi-annually at the office of the City Treasurer or in New York City. Maturity Dec. 1 1925, subject to call after Dec. 1 1915. Certified check for 2% of the par value of bonds bid for, or else cash to that amount, required with bids. J. M. Kennedy is City Clerk.

Cambria School District, San Luis Obispo County, Cal.—Bond Sale.—On Sept. 18 an issue of \$5,000 5% building bonds of this district was awarded to the San Luis Savings Bank of San Luis Obispo for \$5,247 50. Denomination \$500. Date Sept. 18 1905. Interest annual. Maturity \$500 yearly on Sept. 18 from 1906 to 1915 inclusive.

Canyon County (P. O. Caldwell), Idaho.—Bond Offering.—Proposals will be received until 10 a. m. Oct. 23 by John A. Tucker, Clerk Board of County Commissioners, for \$62,605 20 coupon court-house bonds at not exceeding 6% interest. Authority election held Sept. 23 1905. Denomination \$1,000, except one bond for \$500 and one for \$105 20. Interest Jan. 1 and July 1 at the County Treasurer's office or at the Chase National Bank, New York City. Maturity 10% of issue at the expiration of 10 years and 10% yearly thereafter, all bonds, however, being subject to call after 10 years. Certified check for 2% of bonds bid for, payable to John A. Tucker, required. Purchaser to pay accrued interest. Bonded debt, including this issue, \$74,455 20. Assessed valuation \$4,635,642. The official advertisement states that the county has never defaulted in payment of any principal or interest, nor is there any controversy pending or threatened affecting these bonds. Bidders are requested to satisfy themselves as to the legality of bonds before day of sale.

Cartersville, Ga.—Bond Election.—An election will be held Oct. 21 to vote on the question of issuing \$20,000 electric-plant and \$30,000 sewer bonds.

Cascade County (P. O. Great Falls), Mont.—Bond Offering.—Proposals will be received until 2 p. m. Nov. 29 by Fred L. Hill, Clerk of the Board of County Commissioners, for \$10,000 4% 10-20-year (optional) coupon bonds. Securities are issued under authority of Article 3, Chapter 2, Title 2, Part 4, Political Code of Montana.

They are in denomination of \$1,000. Interest will be payable Jan. 1 and July 1 at the office of the County Treasurer. A New York draft or a check certified by a Great Falls bank, payable to the County Treasurer of Cascade County, for \$500, must accompany proposals.

The official notice of this bond offering will be found among the advertisements elsewhere in this Department.

Cincinnati, Ohio.—Bond Sale.—On Oct. 16 the \$250,000 3½% 20-year coupon street-improvement bonds described in V. 81, p. 1000, were awarded to the Western German Bank of Cincinnati, at 101.206.

Bonds Authorized.—The City Council on Oct. 9 passed an ordinance providing for the issuance of \$6,000 4% 1-year Board of Health bonds.

Cincinnati (Ohio) School District.—Bond Sale.—On Oct. 16 the \$150,000 3½% 40-year coupon building bonds, described in V. 81, p. 1060, were awarded to Irwin, Ballman & Co. of Cincinnati, at 101.38 and interest. Following are the bids:

Irwin, Ballman & Co., Cin. \$152,071 | Cincinnati Trust Co., Cincinnati. \$150,750
Rudolph, Kleybolte & Co., Cin. 151,884 | Atlas National Bank, Cincinnati 150,200
Central Tr. & S. Dep. Co., Cin. 151,590 | Seansgood & Mayer, Cin. 150,100
Well, Roth & Co., Cincinnati. 151,651

Cleveland, Ohio.—Bond Election.—At the general election Nov. 7 the question of issuing 2,000,000 bridge bonds will be submitted to a vote of the people.

Cleveland Heights, Ohio.—Bond Offering.—Proposals will be received until 12 m. Oct. 24 by W. G. Phare, Village Clerk, at the Fairmont Post Office in said village or at his office, No. 402 American Trust Building, Cleveland, for the following bonds:

\$152,124 4½% coupon sewer-construction bonds. Denomination \$1,000, except one bond for \$124. Maturity \$15,124 on Oct. 1 1907, \$15,000 in the years 1908, 1909, 1911, 1912, 1913, 1914, 1915, and \$16,000 on Oct. 1 in 1910, and also in 1916.

9 431 4½% coupon sewer-construction (village's portion) bonds. Denomination \$1,000, except one bond for \$431. Maturity \$431 on Oct. 1 1907 and \$1,000 yearly on Oct. 1 from 1908 to 1916 inclusive.

Date day of sale. Interest semi-annually on April 1 and Oct. 1 at the office of the Village Treasurer. Certified check for 10% of amount of bonds bid for, payable to the Village Treasurer, required. Purchaser to pay accrued interest.

Cloverdale, Cal.—Bond Sale.—It is stated that on Sept. 26 an issue of \$30,000 5% 1-40-year (serial) bonds was awarded to John E. Chelfaut.

Colonie (N. Y.) School District No. 2.—Bond Sale.—On Oct. 12 an issue of \$5,000 5% school bonds was awarded to Geo. M. Hahn of New York City at 103.13.

Colquitt, Ga.—Bonds Voted.—This city on Oct. 10 voted to issue \$6,000 6% water-works bonds. Date of sale not yet determined.

Columbus, Ohio.—Bonds Authorized.—The following bond issues have been authorized:

\$1,000 4% Richardson Ave. sewer bonds, maturing Sept. 1 1907, optional Sept. 1 1906.

6,000 4½% Fourth Street improvement bonds, maturing March 1 1916, optional March 1 1907.

3,000 4% Franklin Park improvement bonds, maturing Nov. 1 1915.

Constableville, Lewis County, N. Y.—Bond Sale.—On Oct. 12 the \$17,000 4% 5-29-year (serial) registered water bonds described in V. 81, p. 1132, were awarded to the Jefferson County Savings Bank at 102 and interest.

Cornelia, Ga.—Bond Election.—On Nov. 4 this city will vote on the question of issuing \$6,000 5% school bonds.

Coronado, Cal.—Bond Election Proposed.—The question of calling an election to vote sea-wall bonds is being considered.

Council Grove, Kan.—Bond Sale.—A \$1,000 4½% 20-year refunding bond dated Dec. 31 1904 has been purchased by the State Board of Education.

Covington, Ky.—Bond Election.—The question of issuing \$40,000 sewer bonds will be submitted to a vote of the people at the general election next November.

Covington (Ky.) School District.—Bond Election.—At the election to be held next November the question of issuing \$60,000 building and \$15,000 refunding bonds will be submitted to a vote of the people.

Crawford County (Kan.) School District No. 112.—Bond Sale.—This district has sold to the State at par an issue of \$4,800 5% coupon school-house bonds. Denomination \$500. Date Oct. 12 1905. Interest January and July. Maturity July 1 1920, subject to call at any interest, paying date.

Dawson, Ga.—Bond Offering.—Proposals will be received until 1 p. m. Nov. 7 by J. R. Mercer, Mayor, for \$45,000 5% 1-30-year (serial) water-works bonds. Denomination \$500. Date Dec. 1 1905. Interest annually in New York City. Bonded debt at present \$18,000. Assessed valuation 1905, \$1,650,871; real value estimated \$3,000,000. Bonds are exempt from city taxation.

Deal, N. J.—Bonds Voted.—By a vote of 38 to 11 this borough on Oct. 13 authorized the issuance of \$75,000 4% sewer bonds.

Dawson County (P. O. Glendive), Mont.—Bond Sale.—On Oct. 14 the \$89,000 10-20-year (optional) coupon refunding bonds described in V. 81, p. 930, were awarded to Browne-Ellinwood & Co. of Chicago at 101.165 for 4½ per cents. Following are the bids:

For 4½ Per Cents.	For 5 Per Cents. (Cont.)
Browne-Ellinwood & Co., Chic. \$90,037 00	Trowbridge & Niver Co., Chic. \$91,080 00
N. W. Harris & Co., Chicago. 89,962 00	John Nuveen & Co., Chicago. 90,889 00
N. W. Halsey & Co., Chicago. 89,578 00	Chas. H. Coffin, Chicago. 89,074 00
Trowbridge & Niver Co., Chic. 89,060 00	Duke M. Farson & Co., Chic. 89,908 00
Union Bank & Trust Co.,	Kane & Co., Minneapolis. 89,450 00
Helena. 89,000 00	Albert C. Case, New York. 89,340 00
For Five Per Cents.	F. L. Fuller & Co., Cleveland. 89,100 00
Farson, Leach & Co., Chicago. 91,677 50	For 6 Per Cents.
W. J. Hayes & Sons, Cleve. 91,671 00	S. A. Keane, Chicago. 89,044 00
Denison, Prior & Co., Cleve. 91,554 30	A. J. Hood & Co., Detroit. 89,840 00

a failed to enclose certified check as required.

Delaware, Ohio.—Bond Offering.—Proposals will be received until 12 m. Nov. 6 by F. D. King, City Auditor, for \$10,000 5% coupon Sandusky Street paving bonds. Denomination \$1,000. Date Sept. 1 1905. Interest semi-annually at the depository of the Sinking Fund in Delaware. Maturity \$1,000 yearly on Sept. 1 from 1906 to 1915 inclusive. Purchaser to pay accrued interest.

Dodge City (Kan.) School District.—Bond Sale.—An issue of \$6,000 4½% building bonds has been sold to the State School Fund. Denomination \$500. Date July 1 1905. Maturity July 1 1925.

Douglas County (Kan.) School District No. 68.—Bond Sale.—This district has sold an issue of \$1,000 5% bonds to the State School Fund. Denomination \$500. Date Aug. 15 1905. Interest January and July. Maturity July 1 1911, subject to call on any interest-paying date.

Ephrata, Pa.—Bond Offering.—Proposals will be received until 7:30 p. m. Dec. 15 by T. C. Reddig, Borough Clerk, for the \$45,000 4% coupon water-plant-purchase bonds described in last week's issue. Denomination \$500. Date Jan. 1 1906. Interest semi-annually at the office of the Borough Treasurer. Maturity Jan. 1 1936, subject to call after Jan. 1 1916. Certified check for 2%, payable to the Borough Treasurer, required. Securities are free from State tax. Bonded debt, including this issue, \$67,000. Assessed valuation \$962,000.

Fremont, Ohio.—Bond Sale.—The following bids were received Oct. 9 for the \$30,000 4½% fire-department bonds voted at the election held June 5:

Well, Roth & Co., Cincinnati. \$31,655 00	W. J. Hayes & Sons, Cleveland. \$31,037 00
Seansgood & Mayer, Cincinnati. 31,413 75	Union Sav. Bk. & Tr. Co., Cin. 30,982 50
Lamprecht Bros. & Co., Cleve. 31,387 00	Denison, Prior & Co., Chic. & Bos. 30,957 00
N. W. Harris & Co., Chicago. 31,301 00	F. L. Fuller & Co., Cleveland. 30,956 00
Albert Kleybolte & Co., Cin. 31,275 00	W. R. Todd & Co., Cincinnati. 30,900 00
Provident Sav. Bk. & Tr. Co., Cin. 31,225 00	Ser. Sav. Bk. & Tr. Co., Toledo 30,800 00
Hoehler & Cummings, Toledo. 31,056 00	Fremont Sav. Bank, Fremont. 30,550 00
P. S. Briggs & Co., Cincinnati. 31,055 55	

Gainesville, Fla.—Bonds Voted.—On Oct. 10 by a vote of 228 to 28 this city authorized the issuance of \$115,000 5% sewer, electric-light, hospital and street bonds. Date of sale not yet determined.

Greenville, Ohio.—Bond Offering.—Proposals will be received until 12 m. Oct. 28 by J. C. Katzenberger, City Auditor, for \$2,354.67 6% Pine Street improvement bonds. Denomination \$784.89. Date Oct. 28 1905. Interest semi-annual. Maturity \$784.89 yearly from 1906 to 1908 inclusive. Certified check for 10% of bonds bid for, payable to the City Treasurer, required. Accrued interest to be paid by purchaser.

Greenwood, Wis.—Description of Bonds.—We are advised that the \$15,000 electric-light-plant bonds recently sold at par to the State of Wisconsin carry 3½% interest, payable annually on Feb. 1. Date of bonds Sept. 12 1905. Maturity 1925.

Hackensack, N. J.—Bonds Refused.—The \$135,000 4% bonds (two issues) awarded on July 17 to H. L. Crawford & Co. of New York City have been refused by that firm, who hold that the Act under which the bonds were issued is unconstitutional.

Haverhill, Mass.—Temporary Loan.—A temporary loan of \$33,000 maturing in nine months was recently awarded to Jose. Parker & Co. of Boston at 3.96% discount.

Henderson, Minn.—Bond Sale.—On Oct. 1 \$3,000 5% funding bonds were awarded to Heinrich & Blume for \$3,012.50. Denomination \$500. Date Oct. 1 1905. Interest annually on July 1. Maturity \$500 yearly on July 1 from 1907 to 1912 inclusive.

Herington (Kan.) School District.—Bond Sale.—The \$8,000 school bonds described in V. 81, p. 279, have been sold to the Browne-Ellinwood Co. of Chicago for \$8,127 for five per cents.

Hollidaysburg, Pa.—Bonds Not Sold.—The \$18,000 3½% 10-20-year (optional) street and sewer-improvement bonds offered on Oct. 2 were not sold. Denominations \$500 and \$1,000. Interest semi-annual.

Hoosick Falls, N. Y.—Bond Sale.—On Oct. 5 an issue of \$25,000 1-25-year (serial) building bonds was awarded to N. W. Harris of New York City at 3.80 per cents.

Iron River, Mich.—Bond Election.—An election will be held Oct. 25 to vote on the question of issuing \$10,000 water-works-improvement and \$20,000 electric-light bonds.

Isanti County (P. O. Cambridge), Minn.—Bond Offering.—Proposals will be received until 11 a. m. Nov. 15 by the Board of County Commissioners for \$11,066.80 5% ditch-construction bonds. Authority Chapter 258, General Laws of 1901. Denomination one bond for \$1,066.80, four bonds for \$1,000 each and three bonds for \$2,000 each. Date Dec. 1 1905. Interest semi-annually at St. Paul or Minneapolis. Maturity \$1,066.80 on Dec. 1 1907; \$1,000 yearly on Dec. 1 from 1908 to 1911 inclusive and \$2,000 yearly on Dec. 1 from 1912 to 1914 inclusive. Certified check

for \$500 payable to the County Treasurer, required. The official advertisements state that the county has never defaulted in the payment of any principal or interest and that there is no controversy threatened or pending affecting these bonds. Purchaser to pay accrued interest; also to furnish blank bonds. Bonded debt including this issue \$27,406 04; assessed valuation \$2,615,735. T. C. Blomgren s County Auditor.

Jefferson, Ohio.—Bonds not Awarded.—We are advised that owing to a change in plans the \$3,000 5% Chestnut Street improvement bonds, the sale of which was advertised to take place on Oct. 16, were not awarded. The village will not sell these bonds this season.

Jefferson City, Mo.—Bond Offering.—Proposals will be received until 4 p. m. Oct. 25 by F. P. Dallmeyer, City Clerk, for \$25,000 4% 10-20-year coupon street-improvement bonds. Denomination \$500. Date Nov. 1 1905. Interest semi-annually at the office of the City Treasurer. Certified check for \$250 required.

Kalamazoo, Mich.—Bond Sale.—On Oct. 16 the \$45,500 4% 1-7-year (serial) street-improvement and paving bonds (2 issues) described in V. 81, p. 1203, were awarded to Farson, Leach & Co. of Chicago at par and interest. Denominations \$500 and \$1,000. Date Nov. 15 1905. Interest semi-annual.

Kanabec County (P. O. Mora), Minn.—Bond Sale.—On Oct. 13 the \$13,000 ditch bonds described in V. 81, p. 1002, were awarded to the Minnesota Loan & Trust Co. of Minneapolis at 100.846, accrued interest and blank bonds for 5 per cents. Following are the bids:

For 5 Per Cents.	For 6 Per Cents (Cont.).
Minnesota Loan & Trust Co., Minneapolis.....\$13,110	Duke M. Farson & Co., Chicago.....\$13,130
Wells & Dickey Co., Minneapolis.....13,131	J. M. Holmes, Chicago.....613,130
N. W. Halsey & Co., Chicago.....13,065	C. H. Corbin, Chicago.....613,101
For 6 Per Cents.	Commercial Insurance Co.....13,000
W. J. Hayes & Sons, Cleveland.....13,232	

a Failed to enclose certified check as required. d Accrued interest and blank bonds.

Kearney, Neb.—Bond Offering.—Proposals will be received until 1 p. m. Oct. 23 by Geo. E. Ford, City Clerk, for \$50,000 refunding sewer bonds at not exceeding 5% interest. Denomination \$1,000. Date Nov. 1, 1905. Interest semi-annual. Maturity Nov. 1 1925, subject to call after five years.

Kent County (P. O. Grand Rapids), Mich.—Bond Election Proposed.—Steps are being taken to submit to a vote of the people at the spring election a proposition to issue \$50,000 insane-asylum bonds.

Kernersville, N. C.—Bonds in Litigation.—Certain taxpayers have brought suit to prevent the issuance of the \$4,000 5% 20-year school bonds described in V. 81, p. 226. The Superior Court recently rendered a decision in favor of the bonds and the case now goes to the Supreme Court, where it will be heard in December.

Kittanning (Pa.) School District.—Bond Sale.—This district recently disposed of an issue of \$15,000 4% bonds to local investors. These bonds are redeemable after one year.

Leavenworth County (Kan.) School District No. 18.—Bond Sale.—The State School Fund recently purchased \$1,000 5% bonds of this district. Denomination \$200. Date Oct. 2 1905. Maturity \$200 on July 1 of the years 1907, 1909, 1911, 1913 and 1915.

Lenoir, N. G.—Bond Election.—An election will be held in this town to vote on the question of issuing not exceeding \$50,000 coupon improvement bonds.

Lewis County (P. O. Chehalis), Wash.—Bond Sale.—On Oct. 11 the \$10,000 10-20-year (optional) refunding bonds described in V. 81, p. 1062, were awarded to Browne-Ellinwood Co. of Chicago at 102.67 for 4½% bonds. Following are the bids:

For 4½ Per Cents.	For 4 Per Cents.
Browne-Ellinwood Co., Chicago.....\$10,267 00	Jose, Parker & Co., Boston.....\$9,810 30
Trowbridge & Niver Co., Chic.....10,257 00	For 4½ Per Cents.
Jose, Parker & Co., Boston.....10,245 20	Jose, Parker & Co., Boston.....10,042 30
A. J. Hood & Co., Chicago.....10,236 00	For 5 Per Cents.
Rudolph Kleybolte & Co., Chic.....10,212 50	S. A. Kean, Chicago.....10,010 00
N. W. Harris & Co., Chicago.....10,208 00	Wm. D. Perkins & Co., Seattle.....10,000 00

Lexington, N. C.—Bond Sale.—On Oct. 20 the \$40,000 5% 40-year bonds described in V. 81, p. 1133, were awarded to F. L. Fuller & Co., Cleveland, for \$41,470.

Lodi (N. J.) School District.—Bonds Voted.—This district on Oct. 18 authorized the issuance of the \$40,000 school bonds by a vote of 15 to 0.

Luzerne and Hadley Union School District No. 1, N. Y.—Bond Sale.—This district on Oct. 17 awarded an issue of \$23,000 4% bonds to Geo. M. Hahn of New York City at 100.76.

Madison, Ind.—Bond Issue.—We are advised that this city will issue \$7,500 3½% refunding bonds in exchange for old securities now outstanding.

Maineville, Warren County, Ohio.—Bond Offering.—Proposals will be received until 12 m. Oct. 30 by Clyde S. Meloy, Village Clerk, for \$2,460 5% coupon cement-sidewalk-assessment bonds. Denomination \$246. Date Sept. 21 1905. Interest semi-annually in Maineville. Maturity \$246 yearly on Sept. 21 from 1906 to 1915 inclusive. Certified check for \$100, payable to the Village Treasurer required. Bonded debt, this issue.

Marion, Ohio.—Bond Offering.—Proposals will be received until 4 p. m. Oct. 25 by S. T. Quigley, City Auditor, for \$23,120 4% coupon refunding bonds. Denomination \$500, except one bond for \$120. Date June 1 1905. Interest March 1 and Sept. 1 at the office of the City Treasurer. Maturity \$1,120 on March 1 1906; \$1,000 each six months from Sept. 1 1906 to Sept. 1 1912 inclusive; \$1,500 each six months from March 1 1913 to Sept. 1 1915 inclusive. Certified check for \$1,000, payable to the City Auditor, required. Purchaser to pay accrued interest.

Maury County (P. O. Columbia), Tenn.—Bond Offering.—Proposals will be received until 1:30 p. m. Dec. 5 by W. O. Gordon, County Judge, for \$150,000 4% coupon funding bonds. Denomination \$500 and \$1,000. Interest semi-annual. Maturity \$50,000 in 10, 15 and 20 years respectively. Bonded debt including this issue \$200,000. Assessed valuation \$9,952,050.

Mercer County (P. O. Trenton), N. J.—Bond Sale.—On Oct. 19 the \$54,900 4% 20-year bridge bonds dated Sept. 1 1905 and the \$10,000 4% 20-year renewal bonds dated Dec. 1 1904, a description of which was given in V. 81, p. 1134, were awarded to Dick & Robinson of New York City at 104.38 and 104.29, respectively.

Miamisburg (Ohio) School District.—Bond Offering.—Proposals will be received until 12 m. Nov. 11 by J. M. Purnell, Clerk Board of Education, for \$50,000 4% coupon school-house bonds. Authority Sections 3,991, 3,992 and 3,993 of the Revised Statutes of Ohio. Denomination \$500. Date Nov. 11 1905. Interest semi-annually at First National Bank of Miamisburg. Maturity \$2,500 yearly on Nov. 11 from 1912 to 1931 inclusive. Certified check on a national bank for 2% of bonds bid for, payable to the Treasurer of the Board, required. Purchaser to pay accrued interest. Bonded debt, this issue. Assessed valuation \$1,954,790.

Middleport, Ohio.—Bond Offering.—Proposals will be received until 12 m. Nov. 4 by Fred. Radford, Village Clerk, for \$5,000 4½% coupon street-improvement bonds. Authority sections 2835 and 2836 Revised Statutes of Ohio. Denomination \$500. Date Sept. 1 1905. Interest semi-annually at the office of the Village Treasurer. Maturity \$500 yearly on September 1 from 1906 to 1915 inclusive. Certified check for \$250 payable to Fred. G. Davis, Treasurer, required. Bonded debt, including this issue, \$68,000. Assessed valuation \$675,000.

Miles (Tex.) Independent School District.—Bonds Registered.—The State Comptroller on Oct. 13 registered \$11,000 5% 20-40-year (optional) school-house bonds dated Sept. 20 1905.

Milford, Conn.—Bonds Not Yet Sold.—No sale has yet been made of the \$18,000 3½% refunding bonds offered without success on June 30.

Milton, Miami County, Ohio.—Bond Sale.—On Oct. 14 the \$2,000 5% coupon water-works-extension bonds described in V. 81, p. 1062, were awarded to A. C. Cable of Covington at 113.85 and accrued interest.

A. C. Cable, Covington.....\$2,227 00 West Milton Bank, West Milton.....\$2,201 50 Citizens' Nat. Bank, Covington.....2,224 00 A. Kleybolte & Co., Cincinnati.....2,156 00 Seasingood & Mayer, Cincinnati.....2,205 75 Dayton Savings Bank, Dayton.....2,032 00

Minnesota.—Loans.—The State Board of Investment on Oct. 14 granted loans as follows:

Village of Starbuck (from permanent university fund) \$5,000; Wadena County, for county ditch, \$7,450; Kittson County, for county ditch, \$13,816; School District No. 80, Aitkin County, \$750; School District No. 42, Blue Earth, \$800; School District No. 110, Clay, \$700; School District No. 95, Douglas, \$2,500; School District No. 6, Fillmore, \$2,000; School District No. 64, Grant, \$800; School District No. 123, Jackson, \$1,000; School District No. 74, Kittson, \$3,500; School District No. 10, Kittson, \$3,000; School District No. 74, Morrison, \$450; School District No. 34, Norman, \$1,000; School District No. 272, Otter Tail, \$3,400; School District No. 44, Polk, \$2,500; School District No. 26, Ramsey, \$1,345; School District No. 126, Red Lake, \$1,800; School District No. 51, Redwood, \$2,000; School District No. 28, Roseau, \$1,000; Browne Valley, Traverse, \$2,000; School District No. 36, Wadena, \$1,500; School District No. 37, Wadena, \$400.

Mitchell, S. Dak.—Bond Sale.—On Sept. 27 the \$60,000 5% 10-20-year (optional) coupon sewer bonds described in V. 81, p. 1002, were awarded to MacDonald, McCoy & Co. of Chicago for \$61,997.

Minster School District, Auglaize County, Ohio.—Bond Offering.—Proposals will be received until 12 m. Nov. 14 by C. H. Dickman, Clerk, for \$10,000 5% coupon school-building bonds. Denomination \$500. Date Nov. 14 1905. Interest March 15 and Sept. 15 at the office of the District Treasurer. Maturity \$500 every six months from Sept. 15 1912 to March 15 1922 inclusive. Cash deposit of \$200 required. Purchaser to pay accrued interest.

Mount Kisco, N. Y.—Bond Sale.—On Oct. 16 the \$15,000 registered water bonds described in V. 81, p. 1203 were awarded to G. M. Hahn of New York City, at 100.246 and blank bonds for 3.85 per cents.

Munhall School District, Allegheny County, Pa.—Bond Offering.—Proposals will be received until 7:30 p. m. Nov. 1 by G. E. Wisener, Secretary Board of Directors, for the \$15,000 4% coupon building bonds and the \$10,000 4% coupon funding bonds mentioned in V. 81, p. 932. Denomination \$1,000. Date Oct. 1 1905. Interest semi-annually at the office of the Monongahela Trust Co. of Homestead, Pa. Maturity Oct. 1 1925. Certified check on a national bank or trust company for 3% of amount of bonds bid for, payable to the School District, required. Bids to be made on blank forms furnished by J. Merrill Wright, Solicitor of the Board, 31 St. Nicholas Building, Pittsburgh. Bonded debt, including this issue, \$120,094; other debt \$4,605. Bonds are exempt from taxation.

Nampa and Meridian Irrigation District, Ada and Canyon Counties, Idaho.—*Bond Offering.*—Proposals will be received until 3 p. m. Nov. 1 by the Board of Directors, H. A. Partridge, Chairman, at the Citizens State Bank of Nampa for \$285,000 bonds at not exceeding 7% interest. Securities are part of an issue of \$583,505 bonds authorized at an election held Aug. 26 1905. Denominations not less than \$50 nor more than \$500. Interest Jan. 1 and July 1 at Boise. Maturity as follows:

At the expiration of 11 years...5 per cent	At the expiration of 16 years...10 per cent
At the expiration of 12 years...6 per cent	At the expiration of 17 years...11 per cent
At the expiration of 13 years...7 per cent	At the expiration of 18 years...12 per cent
At the expiration of 14 years...8 per cent	At the expiration of 19 years...13 per cent
At the expiration of 15 years...9 per cent	At the expiration of 20 years...14 per cent

Certified check for 2% of the amount of bonds bid for, payable to the Board of Directors of the Nampa and Meridian Irrigation District required. Bonds to be delivered on or before Nov. 10 1905. Bidders are requested to satisfy themselves as to the legality of the issue before bidding as the District must purchase irrigation system before Dec. 1 1905, its option on the same expiring on that date.

Nashville, Tenn.—*Bonds Defeated.*—Local papers state that the proposition to issue \$300,000 high-school bonds failed to carry at the election held Oct. 12.

Newark, Ohio.—*Bond Offering Postponed.*—Owing to pending litigation over the land upon which it was proposed to erect the new hospital building, the offering for Oct. 26 of \$35,000 4% hospital bonds has been withdrawn, and the sale will not take place until next year.

Newburgh (Orange County), N. Y.—*Bond Offering.*—Proposals will be received until 2 p. m. Oct. 24 by Jonathan D. Wilson, Mayor, for \$7,000 3½% registered refunding water bonds. Denomination \$700. Date Nov. 1 1905. Interest semi-annually at the office of the City Treasurer. Maturity \$700 yearly on Nov. 1 from 1906 to 1915 inclusive.

New Hanover County (P. O. Wilmington), N. C.—*Bond Sale.*—The \$50,000 4% road bonds offered without success on Aug. 30 have been sold to Seasongood & Mayer of Cincinnati at par and interest.

Newport News, Va.—*Bonds Proposed.*—The issuance of \$100,000 street-improvement bonds is being considered. Legislative authority, however, must first be obtained before these bonds can be issued.

Norfolk Union Free School District No. 1, N. Y.—*Bond Offering.*—Proposals will be received until 8 p. m. Oct. 25 by Daniel Crowley, Clerk, for \$14,300 4% coupon school bonds. Denomination \$500, except one bond for \$300. Interest annually on Jan. 1 at the State Bank of Norwood. Maturity \$1,000 yearly on Jan. 1 from 1909 to 1922 inclusive and \$300 on Jan. 1 1923. Bonded debt this issue. Assessed valuation \$488,000.

North Yakima, Wash.—*Bonds Voted.*—By a vote of 291 to 110 this city on Oct. 12 authorized the issuance of \$48,000 4% 20-year sewer bonds. Date of sale not yet determined.

Nymore, Minn.—*Bonds Not Yet Sold.*—No sale has yet been made of the \$4,500 fire-protection bonds mentioned in V. 81, p. 173.

Oakmont, Pa.—*Bond Sale.*—On Oct. 16 the \$45,000 4% 5-30-year (serial) street-improvement bonds described in V. 81, p. 1204, were awarded to Dick & Robinson of New York City at 102.05 and interest.

Ocella, Ga.—*Bond Sale.*—On Sept. 30 the \$20,000 5-24-year (serial) gold water-works and electric-light bonds, described in V. 81, p. 863, were awarded to John W. Dickey of Augusta, Ga., at 101.665 for five per cents. Securities are dated Dec. 31, 1905.

Odell School District No. 162, Livingston County, Ill.—*Bond Sale.*—On Oct. 16 the \$11,200 5% coupon bonds described in V. 81, p. 1204, were awarded to Geo. M. Bechtel & Co. of Davenport, Iowa, at 103.133 and interest. Following are the bids:

Geo. M. Bechtel & Co., Davenport	\$81,551	N. W. Harris & Co., Chicago	\$81,551
Bank of Odell, Odell	\$11,530	John Nuveen & Co., Chicago	\$11,400

a Accrued interest and blank bonds. d And accrued interest.

Palo Alto, Cal.—*Bond Election.*—It is stated that this place will vote on the question of issuing \$50,000 water, \$10,000 sewer, \$10,000 water and light extension, \$15,000 park and \$5,000 general-improvement bonds.

Paola, Kan.—*Bonds Voted.*—This place on Oct. 10 voted to issue \$50,000 bonds to purchase the water plant and \$25,000 bonds for the construction of an electric light plant.

Paris, Tex.—*Bond Sale.*—On Oct. 9 the \$6,500 4½% 10-40-year (optional) sewer-construction, the \$50,000 4½% 30-50-year (optional) street-improvement and the \$35,000 4½% 20-40-year (optional) school-house bonds described in V. 81, p. 1003, were awarded to Trowbridge & Niver Co. of Chicago, at 103.789, accrued interest and blank bonds. Following are the bids:

Trowbridge & Niver Co., Chic.	\$94,967 00	Trust Co. of Dallas, Dallas	\$91,780 00
Seasongood & Mayer, Cin.	\$8,811 75	S. A. Kean, Chicago	\$91,774 50
Spitzer & Co., Toledo	\$8,375 75	W. R. Todd & Co., Cincinnati	\$8,300 00
Union Sav. Bk. & Tr. Co., Cin.	\$2,840 00	For School-House Bonds Only	
Farnon, Leach & Co., Chicago	\$2,502 50	Browne-Edlinwood Co., Chic.	\$35,387 00
W. J. Hayes & Sons, Cleveland	\$2,499 00	C. B. Coffin, Chicago	\$35,301 00
F. L. Fuller & Co., Cleveland	\$1,825 00		

a Failed to inclose certified check as required

Payette, Idaho.—*Bond Offering.*—Proposals will be received until Nov. 13 by Geo. W. Baker, City Clerk, for \$10,000 coupon water-works bonds at not exceeding 6%

interest. Denominations \$100, \$500 and \$1,000. Interest semi-annual. Maturity twenty years, subject to call after ten years. Authority election held Sept. 29 1905. Certified check for \$100 required.

The official notice of this bond offering will be found among the advertisements elsewhere in this Department.

Plainfield, N. J.—*Bond Sale.*—On Oct. 9 at a private sale an issue of \$13,000 4% school-funding bonds was awarded to the Dime Savings Institution of Plainfield at 101.375. Denomination \$1,000. Date June 1 1905. Interest semi-annual.

Polk County (P. O. Crookston), Minn.—*Bond Offering.*—Proposals will be received until Oct. 23 by N. A. Hoffard, County Auditor, for the private sale of \$22,000 6% coupon county ditch and drainage bonds. Authority Chapter 258 Laws of 1901 and Chapter 230 Laws of 1905. Denomination \$500 or \$1,000. Date Jan. 1 1906. Interest annually at place to be agreed upon later. Maturity yearly on Jan. 1 from "1908 to 1916 in approximately equal payments."

Portland, Conn.—*Bond Offering.*—Proposals will be received until 8 p. m. Nov. 1 for \$88,000 coupon refunding railroad bonds at not exceeding 4% interest. Denomination \$1,000. Date Nov. 1 1905. Interest semi-annually at the office of the Town Treasurer. Maturity twenty years. Bonds are exempt from all taxation. Robert S. Mitchell is Town Clerk.

Portsmouth, Ohio.—*Bond Election.*—At the general election Nov. 7 a proposition to issue \$250,000 water-works bonds will be submitted to a vote of the people.

Prescott, Ariz.—*Bond Sale.*—We are advised by E. B. Modin, City Clerk, that an issue of \$100,000 5% water and sewer-system-improvement bonds has been sold to the Commercial Trust Co. of Prescott at par. Denomination \$1,000. Date June 15 1905. Interest semi-annual. Maturity June 15 1955, subject to call after June 15 1910.

Punxsutawney (Pa.) School District.—*Bonds Not Sold.*—The \$65,000 4% coupon school-house bonds offered on Oct. 14, a description of which will be found in V. 81, p. 1204, were not sold. We are informed that several details of the issue have been changed. The denomination will now be \$1,000 instead of \$500. Interest semi-annually instead of annually. Maturity thirty years, subject to call after ten years.

Rural Valley, Pa.—*Bond Offering.*—Proposals will be received until 8 p. m. Oct. 26 by D. A. Dixon, Borough Secretary, for \$8,500 4% coupon water-works bonds. Denomination \$100. Date Nov. 1 1905. Interest semi-annually at the Rural Valley National Bank. Maturity Nov. 1 1930, subject to call after Nov. 1 1907. Bonds are exempt from all taxes. Certified check for 2% of bid, payable to the Borough Treasurer, required. The borough has no debt at present. Assessed valuation \$121,800.

Rushton, Minn.—*Bond Sale.*—On Oct. 14 the \$1,500 funding and the \$2,500 drainage and water 5% 15-year bonds described in V. 81, p. 1204, were awarded to the Pipestone County Bank of Pipestone at par and interest. This was the only bid received.

San Diego, Cal.—*Bond Sale.*—On Oct. 16 the \$75,000 4½% coupon gold sewer and \$54,000 4½% coupon gold water 1-40-year (serial) bonds, described in V. 81, p. 1003, were awarded to the Adams-Phillips Co. of Los Angeles, at 105.71.

Sandusky County (P. O. Fremont), Ohio.—*Bond Sale.*—On Oct. 7 \$9,200 5% ditch bonds were awarded to the Croghan Bank of Fremont for \$9,225. Securities are dated Sept. 1 1905 and the interest will be payable semi-annually.

Sault Ste. Marie (Mich.) School District.—*Bond Offering.*—Proposals will be received until 4 p. m. Oct. 25 by James T. Moore, Secretary of Board, for \$25,000 4% coupon school building bonds. Denomination \$500. Date Dec. 1 1905. Interest semi-annually at the Hanover National Bank, New York City. Maturity Dec. 1 1915. Certified check for \$500, payable to F. P. Sullivan, Treasurer of the Board of Education, required. These bonds take the place of those awarded last August to E. H. Rollins & Sons of Chicago, but which were subsequently refused because of a technical error in the notice of election. A new election has been held and the bonds again offered as above.

Sayre, Pa.—*No Bond Election Probable in Near Future.*—We are advised that the matter of issuing bonds for sewer purposes is not yet in shape to submit to a vote of the people. It is not likely that an election will be held on this subject before next spring.

Schenectady, N. Y.—*Temporary Loan.*—On Oct. 18 the \$100,000 temporary-loan-certificates described in V. 81, p. 1205, were awarded to Bond & Goodwin of Boston at 4.68% interest. Following are the bids:

Bond & Goodwin, Boston	4.68%	Schenectady Trust Co.	5.00%
E. D. Shepard & Co. (100.025)	5.00%		

Scio School District No. 1, Allegany County, N. Y.—*Bonds Not Sold.*—No bids were received on Oct. 12 for the \$9,000 4% 1-9-year (serial) bonds described in V. 81, p. 1064.

Seattle School District No. 1, King County, Wash.—*Bonds Voted.*—On Oct. 7 the \$500,000 building bonds mentioned in V. 81, p. 1004, were authorized by a vote of 490 to 52.

Shamokin, Pa.—Bond Offering.—Proposals will be received until Oct. 26 by the Finance Committee, care of Thos. Roberts, Secretary, for \$20,000 4% 5-30-year (optional) and \$24,000 4% 10-30-year (optional) bonds. Bonds are exempt from all taxation.

Sharpsburg School District, Allegheny County, Pa.—Bond Offering.—Proposals will be received until 3 p. m. Oct. 26 by Robt. R. Moore, Secretary, No. 413 Wood Street, Pittsburgh, for \$75,000 4% coupon school-building bonds. Denomination \$1,000. Date Nov. 1 1905. Interest semi-annually at the Citizens' Deposit & Trust Co. of Sharpsburg, through the Pittsburgh Clearing House. Maturity \$2,000 yearly on Nov. 1 from 1910 to 1919 inclusive; \$3,000 yearly on Nov. 1 from 1920 to 1924 inclusive and \$5,000 yearly on Nov. 1 from 1925 to 1932 inclusive. Certified check for \$2,000 required. Bonds are exempt from taxation. Bonded debt, including this issue, \$100,000; Assessed valuation 1905 \$3,529,285.

Sherman, Tex.—Bonds Registered.—The State Comptroller on Oct. 11 registered an issue of \$12,000 5% waterworks bonds dated July 1 1905 and maturing one bond yearly.

Sidney School District No. 607, Manitoba.—Debt Offering.—Proposals will be received until Nov. 10 by E. K. Marshall, Secretary-Treasurer, for \$3,800 5% school debentures. Maturity, various amounts yearly on Aug. 1 from 1906 to 1925 inclusive.

Solano County, Cal.—Bond Election.—The Board of Supervisors has decided to submit to a vote of the people the question of issuing \$300,000 bonds for a court-house and jail at Fairfield and a branch hospital at Vallego.

Sparta, Hancock County, Ga.—Bonds Voted.—This city on Oct. 18 authorized the issuance of \$12,000 5% electric-light plant bonds by a vote of 93 to 1. Securities mature in 30 years.

Spartanburg, S. C.—Bond Sale.—Following are the bids received Oct. 11 for the \$100,000 4½% 30-year coupon street-improvement bonds awarded, as stated last week, to Seansgood & Mayer of Cincinnati and Denison, Prior & Co. of Cleveland:

Seansgood & Mayer, Cin., & Denison, Prior & Co., Cle., \$103,160 00
N. W. Harris & Co., Chicago, 104,400 00
Townsend Scott & Son, Balt., 104,260 00
F. L. Fuller & Co., Cleve., 104,100 00
Sutcliffe Strother & Co., Balt., 103,916 00
Security Tr. Co., Spartanb'g, 103,875 00
W. J. Hayes & Sons, Cleve., 103,750 00

W. R. Todd & Co., Cincinnati, \$103,600 00
Well, Roth & Co., Cincinnati, 103,420 00
Lamprecht Bros. & Co., Cle., 103,200 00
Mercantile Tr. & Dep. Co., Bal., 103,090 00
Rudolph Kieyboite & Co., Cin., 102,747 50
Union Sav. Bk. & Tr. Co., Cin., 102,410 00
Baker, Watson & Co., Balt., 102,150 00
Albert Kieyboite & Co., Cin., 101,130 00

Springfield, Ohio.—Bond Election.—At the November election the question of issuing \$225,000 sewer bonds will be submitted to a vote of the people.

Sterling, Ill.—Bond Sale.—On Oct. 16 the \$10,500 4½% coupon street bonds described in V. 81, p. 1205, were awarded to the Browne-Ellinwood Co. of Chicago at 102.60 and interest. Following are the bids:

Browne-Ellinwood & Co., Chicago, \$10,615 00
Seansgood & Mayer, Cincinnati, 10,610 75
N. W. Harris & Co., Chicago, 10,612 50
Sec. Savings Bank & Trust Co., Toledo, 10,610 00
N. W. Halsey & Co., Chicago, 10,627 05

Sumner, Miss.—Bonds to be Offered.—The Mayor will shortly offer for sale \$5,000 5% 5-20-year (optional) school-house bonds. Denomination \$100. Date Oct. 3 1905. Interest annually at place to be designated by purchaser. Bonded debt, this issue. Assessed valuation 1905 \$168,160.

Terrace Park, Ohio.—Bond Offering.—Proposals will be received until 12 m. Nov. 18 by W. E. Williamson, Village Clerk, for the following bonds:

\$1,330 5% coupon sidewalk (Village portion) bonds. Denomination \$133. Date Nov. 1 1905. Maturity \$133 yearly from 1906 to 1915 inclusive.
1,256 5% coupon sidewalk bonds. Denomination \$125.60. Date Oct. 1 1905. Maturity \$125.60 yearly from 1906 to 1915 inclusive.

Interest on above securities payable semi-annually at the Western German Bank, Cincinnati, Ohio. Separate bids to be made for each issue. Accrued interest to be paid by purchaser.

Trenton (Mo.) School District.—Bonds Voted.—Bond Offering.—The election Sept. 30 resulted in a vote of 705 to 110 in favor of the proposition to issue \$12,500 4½% high-school bonds. Proposals for these bonds will be received until 8 p. m. Oct. 25. Maturity Nov. 1 1925 subject to call after Nov. 1 1915.

Trimble (Tenn.) Bonds to be Re-offered Next Year.—We are advised that the \$7,000 5% school bonds offered without success on June 30 will be again put on the market

NEW LOANS.

\$10,000

Cascade County, Montana,
4% Coupon Bonds.

Notice is hereby given that, in pursuance of the provisions of Article 3, Chapter 2, Title 2, Part 4 of the Political Code of the State of Montana, and of the order made by the Board of County Commissioners of Cascade County, State of Montana, at a regular meeting of said Board held on the 11th day of October, 1905, the said Board of County Commissioners will on the 27th DAY OF NOVEMBER, 1905, at 2 o'clock P. M. of said day, at the office of said Board in the District Court House in the City of Great Falls, Cascade County, Montana, under and by virtue of a resolution duly adopted by said Board at a regular meeting thereof held on the 11th day of October, 1905, at the aforesaid office of said Board, sell coupon bonds of said Cascade County to the amount of Ten Thousand Dollars, drawing interest at the rate of four per cent per annum, payable semi-annually on the first day of January and the first day of July of each year, which bonds will be of the denomination of One Thousand Dollars each, and shall be payable twenty years after the date of their issue, provided, however, that said bonds shall be redeemable at the option of said County of Cascade at any time after ten years from the date thereof. The said coupon bonds will be made payable at any National Bank designated by the purchaser thereof and the said County of Cascade will deliver such bonds at said bank to the order of said purchaser, provided that the interest on said bonds shall be payable at the office of the County Treasurer of said Cascade County.

Sealed proposals for the purchase of said bonds, subject to legality, will be received up to the time of sale, and the party or parties offering the highest bid and price therefor will receive the bonds. A New York draft or check certified by a bank of the City of Great Falls, payable to the order of the County Treasurer of Cascade County aforesaid, to the amount of \$500, must be deposited with the County Treasurer aforesaid by each bidder as a guaranty of good faith.

The said Board of County Commissioners reserves the right to reject any or all bids.

Bids should be marked "Bids on Bonds" and addressed to Fred L. Hill, Clerk of the Board of County Commissioners, Great Falls, Cascade County, Montana.

By order of the Board of County Commissioners of Cascade County, Montana.

FRED L. HILL,
County Clerk and Clerk of said Board.

T. B. POTTER,
MUNICIPAL and
CORPORATION BONDS.
172 Washington Street,
CHICAGO, ILLS.
LIST ON APPLICATION.

MUNICIPAL AND
PUBLIC FRANCHISE CORPORATION
BONDS
Bought and Sold.

W. J. HAYES & SONS,
CLEVELAND, OHIO. BOSTON, MASS.

NEW LOANS.

\$75,000

CITY OF ST. PAUL
4% 30-Year Park Bonds.

City Comptroller's Office,
St. Paul, Minn., Oct. 4, 1905.
Sealed proposals will be received at the office of the City Comptroller by the Sinking Fund Committee until 12 o'clock noon on OCTOBER 24, 1905, and opened at that time for the purchase of seventy five thousand (\$75,000) dollars of bonds of the City of St. Paul, Minnesota, the proceeds of which are to be used for the purpose of adding to its funds available for the acquisition of land for park and parkway purposes by purchase or otherwise. These bonds are issued pursuant to Ordinance No. 2534, passed by the City Council and approved September 25, 1905, authorized by Chapter 235 of the Laws of the State of Minnesota for the year 1903, approved April 17, 1903, as amended by Chapter 91 of the Laws of Minnesota for the year 1905, approved March 31, 1905, and mature September 30, 1935. They bear interest at the rate of four (4) per cent per annum, payable semi-annually, interest and principal payable at the Financial Agency of St. Paul in New York City, delivery of bonds to be made at the Comptroller's office where payment must be made by the successful bidder. A certified check, payable to the City Treasurer of the City of St. Paul, for two (2) per cent of the par value of the bonds bid for must accompany each bid that will be considered. Bids will be received for all or any part of the lot. The committee reserves the right to reject any and all bids.

Proposals to be marked "Bids for Park Bonds" and addressed to
LOUIS BETZ, City Comptroller.

R. L. DAY & CO.,
BANKERS,

35 Congress Street, BOSTON. 3 Nassau Street, NEW YORK

MEMBERS
NEW YORK AND BOSTON
STOCK EXCHANGES.
STATE, MUNICIPAL AND HIGH GRADE
RAILROAD SECURITIES.

INVESTMENT BONDS.

SEND FOR LIST.

DENISON, PRIOR & CO.
CLEVELAND. BOSTON.

NEW LOANS.

\$10,000

CITY OF ST. PAUL
4% 30-Year Macadam Road Bonds.

City Comptroller's Office,
St. Paul, Minn., Oct. 7, 1905.
Sealed proposals will be received at the office of the City Comptroller by the Sinking Fund Committee until 12 o'clock noon on OCTOBER 24, 1905, and opened at that time for the purchase of ten thousand (\$10,000) dollars of bonds of the City of St. Paul, Minnesota, the proceeds of which are to be used for the purpose of adding to the macadamizing of Minnesota Street. These bonds are issued pursuant to Ordinance No. 2534, passed by the City Council and approved October 8, 1905, authorized by Chapter 58 General Laws of Minnesota for the year 1905, approved March 23, 1905. Bonds in denomination of five hundred or one thousand dollars each, as the purchaser may desire, with coupons attached, and dated November 1, 1905, and mature October 31, 1935. They bear interest at the rate of four (4) per cent per annum, payable semi-annually, interest and principal payable at the Financial Agency of St. Paul in New York City. Delivery of bonds to be made at the Comptroller's office, where payment must be made by the successful bidder. A certified check, payable to the City Treasurer of the City of St. Paul, for two (2) per cent of the par value of the bonds bid for must accompany each bid that will be considered. Bids will be received for all or any part of the lot. The committee reserves the right to reject any and all bids.

Proposals to be marked "Bids for Macadam Road Bonds" and addressed to
LOUIS BETZ, City Comptroller.

H. W. NOBLE & COMPANY,
PENOBSCOT BLDG., LAND-TITLE BLDG.,
DETROIT. PHILADELPHIA.

MUNICIPAL
AND
PUBLIC SERVICE CORPORATION
BONDS.

Trowbridge & Niver Co.
MUNICIPAL AND PUBLIC SERVICE
BONDS.

CHICAGO, BOSTON,
1st Nat. Bank Bldg. 60 State Street.

Established 1885.

H. C. Speer & Sons Co.
First Nat. Bank Building, Chicago.
CITY COUNTY
AND TOWNSHIP BONDS.

early next spring. See V. 80, p. 2638, for description of bonds.

Turin, N. Y.—Bond Sale.—The \$14,000 water-works bonds voted at the election held Sept. 26 1905 have been sold to the Jefferson County Bank of Watertown.

Vancouver, B. C.—Debt Offering.—Proposals will be received until 4 p. m. Nov. 24 by A. McEvoy, City Clerk, for \$500,000 4% city debentures. Interest semi-annual. Maturity as follows:

\$40,500 at the expiration of 12 years. \$17,500 at the expiration of 30 years.
25,000 at the expiration of 15 years. 233,500 at the expiration of 40 years.
157,500 at the expiration of 20 years.

Wabunsee County (Kan.) School District No. 81.—Bond Sale.—The State School Fund has purchased an issue of \$2,000 5% bonds of this district. Denomination \$500. Date Aug. 15 1905. Interest January and July. Maturity \$500 yearly on July 1 from 1911 to 1914 inclusive, subject to call on any interest-paying date.

Warren Township, Belmont County, Ohio.—Bond Sale.—Following are the bids received on Oct. 10 for the \$5,000 4½% 3-12 (serial) coupon road-improvement bonds awarded, as stated last week, to P. S. Briggs & Co. of Cincinnati:

P. S. Briggs & Co., Cincinnati..\$5,251 50 W. R. Todd & Co., Cincinnati..\$5,075 00
Seasongood & Mayer, Cincinnati..5,176 50 First Nat. Bank, Harpersville..5,062 00
Denison, Prior & Co., Cle. & Bos. 5,153 50 Hoehler & Cummings, Toledo..5,057 50
W. J. Hayes & Sons, Cleveland..5,087 00 Weil, Roth & Co., Cincinnati..5,055 00
Albert Kieybolte & Co., Cincinnati..5,084 60

Warroad Independent School District No. 12, Roseau County, Minn.—Bond Sale.—On Sept. 28 the \$4,000 5% coupon funding bonds described in V. 81, p. 935, were awarded to Chas. H. Coffin of Chicago at par. Securities mature \$800 yearly on July 1 from 1910 to 1914 inclusive.

Warsaw, Mo.—Bonds Voted.—It is stated that this place recently authorized the issuance of \$6,000 electric-light-plant bonds by a vote of 96 to 12.

Washburn, Wis.—Bond Offering.—Proposals will be received until 11 a. m. Nov. 1 by R. A. Hering, City Clerk, for \$40,000 5% bonds. Denomination \$1,000. Interest semi-annual. Maturity 20 years, subject to call \$2,000 yearly.

Watertown, Mass.—Bond Offering.—Proposals will be received by Charles W. Stone, Town Treasurer, until 3 p. m. Oct. 30 for \$60,000 4% coupon school-house bonds. De-

nomination \$1,000. Date May 1 1905. Interest semi-annually at the Fourth National Bank of Boston. Maturity \$3,000 yearly.

Wesson, Miss.—Bonds Voted.—This place on Oct. 5 voted to issue bonds for water-works.

West Homestead, Pa.—Bonds Authorized.—It is stated that the Borough Council has decided to issue \$16,000 street bonds.

Westmoreland County (P. O. Greensburg), Pa.—Bond Sale.—Pennsylvania papers state that the \$1,000,000 4% court-house bonds offered without success on June 22 have been sold to Lucien Clawson, President and John S. Sell, Cashier of the Westmoreland National Bank of Greensburg, at 100.60.

Wichita, Kan.—Bond Sale.—An issue of \$17,000 4% refunding bonds has been sold to the Fourth National Bank for \$17,586. Denomination \$1,000. Date July 1 1905. Interest semi-annual. Maturity one-tenth yearly.

Woodstock, Ohio.—Bond Sale.—On Oct. 16 the \$5,000 5% 1-10-year (serial) sidewalk-assessment bonds described in V. 81, p. 1066, were awarded to Lamprecht Bros. & Co. of Cleveland at 102.54 and interest. Following are the bids:

Lamprecht Bros. & Co., Cleve..\$5,127 00 Denison, Prior & Co., Cleveland\$5,078 50
P. S. Briggs & Co., Cincinnati..5,114 00 Albert Kieybolte & Co., Cinch. 5,082 50
New First Nat. Bk., Columbus. 5,112 50 S. A. Kean, Chicago.....5,000 00

Wyandotte, Mich.—Bond Election.—An election will be held on Oct. 30 to vote on the question of issuing \$30,000 water-works-extension bonds.

Wyandotte County (Kan.) School District No. 45.—Bond Sale.—This district has sold to the State School Fund an issue of \$1,500 5% bonds. Denominations \$100 and \$200. Date Sept. 6 1905. Interest January and July. Maturity \$300 yearly on July 1 from 1906 to 1910 inclusive, subject to call on any interest-paying date.

Ynez School District, Santa Barbara County, Cal.—Bond Sale.—On Oct. 2 \$1,200 5% school-building bonds were awarded to E. A. Harrington at 101.50. Denomination \$400. Date Sept. 18 1905. Interest annual. Maturity \$400 yearly on Sept. 18 from 1906 to 1908 inclusive.

NEW LOANS.

\$10,000

City of Payette, Idaho,
Municipal Coupon Bonds.

Sealed bids will be received by the City Clerk at Payette, Idaho, until the 13TH DAY OF NOVEMBER 1905 for municipal coupon bonds to the amount of \$10,000.00 in denominations of One Hundred, Five Hundred and One Thousand Dollars each, payable in 20 years from date of issuance, redeemable at the pleasure of the City of Payette at any time after the expiration of 10 years, bearing interest at a rate not to exceed 6 per cent per annum, payable semi-annually, said bonds to be issued and sold to provide for the construction and maintenance of water works for said city and to supply the same with water. Securities were authorized at election held Sept. 29, 1905. Certified check of \$100.00 to accompany each bid.

Attest: GEO. W. BAKER, Clerk.

Perry, Coffin & Burr,
INVESTMENT BONDS.
60 State Street,
BOSTON.

MUNICIPAL AND RAILROAD
BONDS.

LIST ON APPLICATION.

SEASONGOOD & MAYER,
Mercantile Library Building,
CINCINNATI.

F. R. FULTON & CO.,
Municipal Bonds,
171 LA SALLE STREET,
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STOCK CERTIFICATES

Engraved on steel or lithographed, or
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LITHOGRAPHING AND PRINTING for
Banks, Bankers, and others. Automatic
presses used. Estimates furnished.

ALBERT B. KING & CO., 206 Broadway, N. Y.

BOND CALLS.

BOND CALL.

Bernalillo County, New Mexico,

The County Commissioners of the County of Bernalillo, in the Territory of New Mexico, in the exercise of the option given by law, hereby give notice that the Funding Bonds dated July 1, 1895, issued in two series, known as A and B respectively, consisting of 102 bonds of \$500 each, numbered 1 to 102, both inclusive, of series "A" and 139 bonds of \$100 each, numbered 1 to 139, both inclusive, of series "B," which are payable at the option of said Commissioners ten years after the date thereof, must be presented for payment at the Chemical National Bank in the City of New York or at the office of N. W. Harris and Co. in the CITY OF CHICAGO, Illinois, on or before the FIFTEENTH DAY OF NOVEMBER 1905, and that interest thereon will cease after said date.

(Signed) ALFRED GRUNSFELD, Chairman.
J. A. SUMMERS, Clerk.

Rudolph Kieybolte & Co.

BANKERS,

DEALERS IN

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STREET RAILWAY
BONDS.

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Interest Paid on Daily and Time Deposits

HIGH GRADE

INVESTMENT BONDS

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Municipal & Securities
Corporation & Company
OF PITTSBURGH, PA.
Paid up Capital \$200,000.00

R. A. Lancaster & Sons,

BANKERS,

NO. 10 WALL STREET,
NEW YORK,

DEALERS IN

INVESTMENT and MISCELLANEOUS
SECURITIES.

Southern Securities a Specialty.

NEW LOANS.

New Orleans, Sept. 30, 1905.

To the holders of the Outstanding \$5 Bonds,
Series B, of the Board of Commissioners
for the Pontchartrain Levee District.

Notice is hereby given by the above-named Board of its intention to redeem all of its outstanding \$5 Bonds, Series B, maturing on the first day of November, 1905. Payment will be made at the State National Bank, New Orleans, together with all accrued interest. Holders of said bonds are notified to present them for payment at said bank on the first day of November, 1905, on which day all interest on said bonds will cease.

HUNTER C. LEAKE,
President.
P. M. LAMHREMENT,
Secretary.

MUNICIPAL

AND

Public Service Corporation
BONDS.

E. H. ROLLINS & SONS.
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The Commercial & Financial Chronicle

BANKERS AND TRUST SECTION.

CONTAINING REPORT OF THE
CONVENTION OF AMERICAN BANKERS' ASSOCIATION

Held at WASHINGTON, OCT. 10, 11, 12 and 13, 1905

INDEX TO THIS SECTION:

	PAGE.		PAGE.
EDITORIAL ARTICLES—		BANKING SECTION—	
CONVENTION AND CURRENCY - -	73	PROTECTIVE COMMITTEE - - -	104
THE CONVENTION'S WORK - -	74	COMMITTEE ON UNIFORM LAWS	105
THE TRUST COMPANY SECTION -	76	REPORT EXECUTIVE COUNCIL -	106
THE SAVINGS BANK SECTION -	77	COMMITTEE ON EDUCATION - -	112
BANKING SECTION—		REPORT CURRENCY COMMITTEE	116
TRADE EXPANSION—SHAW - -	81	REPORT ON CIPHER CODE - -	117
BANK EXAMINATION—RIDGELY -	84	AUDITING COMMITTEE REPORT -	123
SCOTCH BANKING—BLYTH - -	87	TRUST COMPANY SECTION—	
OUR COMMERCE—GOULDER - -	90	TRUST COMPANY GROWTH - -	127
THE SITUATION—VANDERLIP -	94	BANKING PUBLICITY - - -	129
BENEFITS MEMBERSHIP—HILL -	97	REAL ESTATE DEPARTMENT -	130
DETAILED PROCEEDINGS - - -	99	DETAILED PROCEEDINGS - - -	133
ADDRESSES OF WELCOME - - -	99	SAVINGS BANK SECTION—	
PREST. SWINNEY'S ADDRESS -	101	OHIO BANK LEGISLATION - -	142
REPORT OF SECRETARY - - -	103	ACCOUNTS IN TWO NAMES - -	145
REPORT OF TREASURER - - -	104	DETAILED PROCEEDINGS - - -	148

For Index to Advertisements, see pages 79 and 80

October 21, 1905.

WILLIAM B. DANA COMPANY, PUBLISHERS.

PINE STREET, CORNER PEARL STREET, NEW YORK.

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Chartered 1836

GIRARD TRUST COMPANY

PHILADELPHIA, PA.

CAPITAL, \$2,500,000 SURPLUS, \$7,500,000

<p>Acts as Trustee of Corporation Mortgages, Registrar and Transfer Agent.</p> <p>Assumes Entire Charge of Real Estate.</p> <p>Interest Allowed on Individual and Corporation Accounts.</p>	<p>Acts as Executor, Administrator, Trustee, Assignee and Receiver.</p> <p>Depository under Plans of Reorganization.</p> <p>Financial Agent for Individuals or Corporations.</p>
---	--

Safes to Rent in Burglar-Proof Vaults.

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The American Trust and Savings Bank

Established 1889

Chicago

STATEMENT OF CONDITION, AUGUST 26, 1905

RESOURCES.		LIABILITIES.	
Loans and Discounts	\$17,438,307.43	Capital Stock	\$3,000,000.00
Bonds	4,599,662.91	Surplus and Profits	2,044,354.86
Cash and Exchange	12,062,526.13	Deposits	29,056,141.61
	\$34,100,496.47		\$34,100,496.47

OFFICERS.

<p>EDWIN A. POTTER, <i>President.</i></p> <p>T. P. PHILLIPS, <i>Vice-President.</i></p> <p>JAMES R. CHAPMAN, <i>Vice-President.</i></p> <p>JOHN JAY ABBOTT, <i>Vice-President.</i></p>	<p>CHARLES S. CASTLE, <i>Cashier.</i></p> <p>F. J. SCHEIDENHELM, <i>Assistant Cashier.</i></p> <p>OLIVER C. DECKER, <i>Assistant Cashier.</i></p> <p>EDWIN L. WAGNER, <i>Assistant Cashier.</i></p> <p>GEORGE B. CALDWELL, <i>Mgr. Bond Dept.</i></p>	<p>FRANK H. JONES, <i>Secretary.</i></p> <p>WILLIAM P. KOPF, <i>Assistant Secretary.</i></p> <p>IRVING J. SHUART, <i>Assistant Secretary.</i></p> <p>WILSON W. LAMPERT, <i>Auditor.</i></p>
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<p>JOY MORTON, <i>Joy Morton & Co.</i></p> <p>E. H. GARY, <i>Chairman U. S. Steel Corporation.</i></p> <p>E. P. RIPLEY, <i>President Atchafson, T. & Santa Fe Ry.</i></p> <p>THEODORE P. SHONTS, <i>Chairman Isthmian Canal Commission.</i></p> <p>NORMAN B. RRAM, <i>Capitalist.</i></p> <p>JOHN F. HARRIS, <i>Harris, Scotten Co.</i></p> <p>T. P. PHILLIPS, <i>formerly Pres. Federal Trust and Savings Bank.</i></p> <p>W. H. McDONEL, <i>Pres. Chgo., Indpls. & Louisville R.R.</i></p> <p>CHARLES H. THORNE, <i>Montgomery Ward & Co.</i></p>	<p>E. J. RUFFINGTON, <i>President Illinois Steel Company.</i></p> <p>WILLIAM KENT, <i>Kent & Burke.</i></p> <p>V. A. WATKINS, <i>Capitalist.</i></p> <p>GILBERT B. SHAW, <i>Lumber.</i></p> <p>BENJAMIN THOMAS, <i>President Chgo. & Western Ind. R. R.</i></p> <p>CHAS. H. DEERE, <i>Deere & Co., Moline, Ill.</i></p> <p>JAMES B. CHAPMAN, <i>Vice-President.</i></p> <p>EDWIN A. POTTER, <i>President.</i></p>
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General Banking, Trust, Bond and Savings Departments.

Wm. A. Read & Co. Bankers

Members of the New York and Boston Stock Exchanges

Investment Securities

Deposits received and Interest allowed on Balances,
subject to draft at sight.

Commission orders executed in all the principal markets.

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43 State Street
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205 La Salle Street
CHICAGO

Maryland Telephone Building
BALTIMORE

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Execute Orders on Commission for Purchase and Sale of
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AND OTHER
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421 Chestnut St.

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Conn. Mutual Life Bldg.

CHICAGO
D. K. DRAKE,
Continental Nat'l Bk. Bldg.

OUR LIST OF INVESTMENT SECURITIES SENT ON APPLICATION

The New York Trust Company

26 BROAD STREET

CAPITAL	- - - - -	\$ 3,000,000
SURPLUS and PROFITS	- -	9,900,000
DEPOSITS (October 1, 1905),	-	51,383,205

Allows interest on deposits subject to cheque.

Manages estates. Acts as executor, trustee, etc.



Trustees

Charles S. Fairchild, Chairman
 Otto T. Bannard
 S. Reading Bertron
 James A. Blair
 Robert W. de Forest
 John B. Dennis
 Marshall Field
 Elbert H. Gary
 Charles W. Harkness
 James J. Hill
 F. N. Hoffstot
 Arthur Curtiss James
 Frederic B. Jennings
 Walter Jennings
 Willard V. King
 Woodbury Langdon
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 John S. Phipps
 George W. Perkins
 E. Parmelee Prentice
 Edmund D. Randolph
 Norman B. Ream
 B. Aymar Sands
 John W. Sterling
 James Stillman
 Myles Tierney
 P. A. Valentine

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WILLARD V. KING, Vice-President	MORTIMER N. BUCKNER, Treasurer
HENRY E. AHERN, Secretary	HERBERT W. MORSE, 2nd Asst. Secretary
FREDERICK J. HORNE, Asst. Secretary	

Incorporated 1889

FISK & ROBINSON

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Members New York Stock Exchange

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NEW YORK**

**28 State Street
B O S T O N**

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ACCOUNTS for the payment of bonds, coupons, dividends, etc., and for the transfer and registration of securities received from municipal, railroad, and other corporations.

Gilbert M. Plympton

Thomas A. Gardiner

William L. McKenna

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27 William Street, Corner Exchange Place
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Chicago Office
232 La Salle Street

Boston Office
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Members New York and Chicago Stock Exchanges

Dealers in Government, Municipal
and Railroad Bonds. Guaranteed
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Investment Securities suitable for
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Lists sent on request.

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Interest allowed on Balances
Subject to Draft at Sight.

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of the World.

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CHARTERED IN 1830

52 WALL STREET, NEW YORK

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IRVING L. ROE, Asst. Secretary

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Henry C. Hulbert
Henry A. C. Taylor
C. O'D. Iselin
W. Emlen Roosevelt
H. Van Rensselaer
Kennedy
Henry I. Barbey
John Jacob Astor

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Samuel Thorne
John L. Cadwalader
Augustus D. Juilliard
Henry Lewis Morris
George G. DeWitt
Cornelius Vanderbilt
John McL. Nash
Philip Schuyler
John Claflin
Cleveland H. Dodge
F. Augustus
Schermerhorn



CORNER STONE OF THE OLD UNITED STATES BRANCH BANK.
Placed in the Directors' Room of the New York Life Insurance and Trust Company, in 1888.

STATEMENT

At the close of business on June 30, 1905

ASSETS		LIABILITIES	
Real Estate	\$1,751,500.00	Capital	\$1,000,000.00
Bonds and Mortgages	3,066,656.75	Surplus Fund and Undivided Profits	4,342,594.96
Loans on Collaterals	7,721,743.93	DEPOSITS IN TRUST (MARKET VALUE)	33,912,888.39
Bills Receivable	14,168,288.10	Annuity Fund	2,181,137.59
Cash in Company's Vaults	1,425,000.00	Life Insurance Fund	390,792.97
Cash in Bank	2,093,176.38	Interest Due Depositors, Taxes, &c.	727,054.70
Accrued Interest, Rents, Suspense Acc't, &c.	589,063.75		
Bonds and Stocks, Market Value	11,739,039.70		
	\$42,554,468.61		\$42,554,468.61

DONALD MACKAY
Member New York and Boston
Stock Exchanges
LATHAM A. FISH
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Comprising the Majority of the
Partners of the Late Firm of

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United States Bonds and other Investment Securities bought and sold. Lists of Securities suitable for Savings Banks, National Banks, Trust Funds or Private Investors sent on application. Orders for the purchase or sale of Securities executed on the New York, Boston and Philadelphia Stock Exchanges. Deposit Accounts of Corporations, Firms or Individuals received subject to Draft at Sight. Interest allowed on Daily Balances. Connected by private wire with correspondents, Messrs. Verner & Co., Philadelphia, Messrs. Thos. Branch & Co., Richmond, Messrs. Richter & Co., Hartford, The Charles W. Scranton Co., New Haven. Chicago representative, W. Edwin Stanley, The Rookery.

Nassau and Pine Streets
NEW YORK

13 Congress Street
BOSTON

The Hanover National Bank

of the City of New York

Cor. Nassau and Pine Streets



CAPITAL
\$3,000,000

SURPLUS
and PROFITS
\$7,000,000

Established 1851

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JAS. M. DONALD,
Vice-President

WM. HALLS, Jr.,
Vice-President

WILLIAM WOODWARD,
Vice-President

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Cashier

WM. I. LIGHTHIPE,
Ass't Cashier

HENRY R. CARSE,
Ass't Cashier

ALEXANDER D. CAMBELL,
Ass't Cashier

CHARLES H. HAMPTON,
Ass't Cashier

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Hanover Bank Building, New York

VERNON H. BROWN, President
HENRY R. CARSE, Treasurer

WILLIAM WOODWARD, Vice-President
WILLIAM W. HILL, Sec'y and General Manager

Guaranty Trust Company

OF NEW YORK

MUTUAL LIFE BUILDING, 28 NASSAU STREET

LONDON OFFICE, 33 LOMBARD ST., E. C.

Depository of the Government of the Philippine Islands.

CAPITAL, \$2,000,000

SURPLUS, \$5,500,000

Interest paid on cheque accounts and on Certificates of Deposit.

Accounts of Banks, Bankers and Trust Companies solicited.

List of carefully selected securities for investment mailed upon application.

Acts as registrar and transfer agent for Corporations, and as trustee under corporate mortgages.

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OSCAR L. GUBELMAN, Vice-President.

ALEXANDER J. HEMPHILL, Vice-President.

MAX MAY, Manager Foreign Dept.

WM. C. EDWARDS, Treasurer.

E. C. HEBBARD, Secretary.

F. C. HARRIMAN, Assistant Treasurer.

R. C. NEWTON, Trust Officer.

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James Speyer.
H. McK. Twombly.
Harry Payne Whitney.

Morristown Trust Company

MORRISTOWN, N. J.

Capital \$600,000

Surplus and Profits \$1,590,000

Assets \$10,000,000

Deposits \$7,500,000

Depositors 4600

Pay 3% Interest on Daily Balances of \$100 or over. Subject to check

Accounts may be opened (or closed) at any time in person or by letter on stating usual satisfactory references, and interest will be paid from time opened until closed as long as the balance is \$100 or over.

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Issues Foreign Drafts and Letters of Credit payable throughout the world.

Receives on deposit, without charge, all Wills in which it is named as Executor, Guardian or Trustee. Executes trusts of every description and takes charge of real and personal estates in absence of owner.

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AURELIUS B. HULL, Vice-Pres. WILLARD W. CUTLER, 2nd V-Pres. JNO. H. B. CORIELL, Sec. & Treas.

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Charles F. Cutler
Willard W. Cutler
Samuel Freeman
Aurelius B. Hull

Gustav E. Kissel
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Richard A. McCurdy
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Walter G. Oakman

Henry F. Taylor
Thomas W. Cauldwell
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John W. Castles

National Union Bank of Maryland

BALTIMORE, -- MARYLAND

3 and 5 E. Fayette Street.



Capital, \$1,000,000
Surplus and Undivided Profits, 390,000

Accounts and correspondence solicited.
Send us your business. Collections
remitted for promptly and on reason-
able terms.

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ROBERT A. DIGGS,			Cashier
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Wm. A. Marburg,
Tunstall Smith,
William Winchester

R. Brent Keyser,
Edwin G. Baetjer

Safe Deposit and Trust Company

OF BALTIMORE

9, 11, 13 SOUTH STREET.

Chartered 1864.

Capital and Surplus, \$1,800,000

Acts as Trustee of Corporation Mortgages, Fiscal Agent for Corporations and
Individuals, Transfer Agent and Registrar. Depository under plans of reorganization.

Acts as Executor, Administrator, Guardian, Trustee, Receiver, Attorney and
Agent, being especially organized for careful management and settlement of estates
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Fireproof Building with latest and best equipment for safety of contents.

Safes for rent in its large fire and burglar proof vaults, with spacious and
well lighted coupon rooms for use of patrons.

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WALDO NEWCOMER
NORMAN JAMES
SAMUEL M. SHOEMAKER

THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.

Successors to RIGGS & CO.
Organized July 1, 1896

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THOMAS HYDE
Vice-President

M. E. AILES
Vice-President

ARTHUR T. BRICE
Cashier

WM. J. FLATHER
Assistant Cashier

H. H. FLATHER
Assistant Cashier



DIRECTORS

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THOMAS HYDE

JAMES M. JOHNSTON

ARTHUR T. BRICE

WM. J. FLATHER

R. ROSS PERRY

THOS. F. WALSH

HENRY HURT

JOHN R. McLEAN

JAMES STILLMAN

F. A. VANDERLIP

MILTON E. AILES

CAPITAL, \$1,000,000

SURPLUS, \$1,200,000

Foreign Exchange Bought and Sold. Collections Made Throughout the World.
Cable Transfers. Letters of Credit. Orders for Stocks, Bonds and Investments.

Middendorf, Williams & Co.

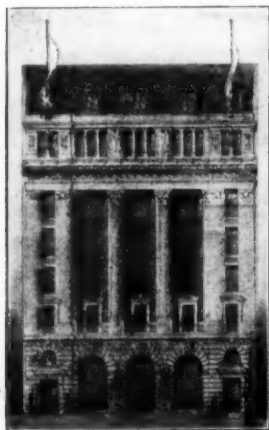
BANKERS and BROKERS

MEMBERS BALTIMORE STOCK EXCHANGE

Direct Wire to New York.

Maryland Casualty Bldg., BALTIMORE, MD.

Stocks and Bonds Bought and Sold on Commission. Special attention given to
Municipal and other Investment Securities. Buyers of Foreign Exchange.



The National Metropolitan Citizens Bank

Washington, D. C.

**CAPITAL, SURPLUS
and PROFITS,**

\$1,528,000

DEPOSITS,

\$4,183,578

Solicits the business of Banks, Bankers and
Trust Companies throughout the country.

OFFICERS

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S. W. WOODWARD, Vice-Pres.

J. GALES MOORE, Cashier.

W. W. W. PARKER, Ass't Cashier

Woodbury Blair
Geo. H. Harries
Chas. Jacobsen
Thos. H. Jones
Wm. S. Knox
John H. Lerner
David Moore

DIRECTORS

John H. Moore

W. H. Moses

Allison Naylor, Jr.

Myron M. Parker

Jackson H. Balston

Hugh Reilly

Cano H. Studolph

E. Francis Riggs

Geo. Truesdell

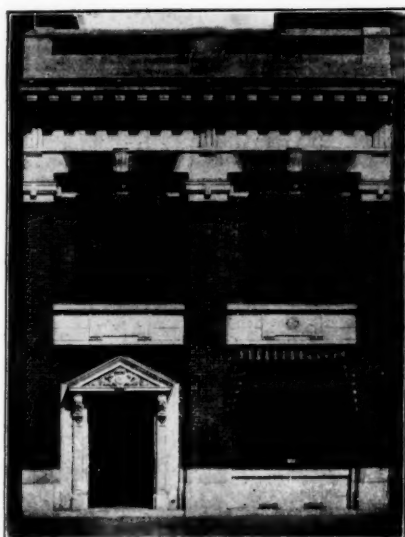
John F. Wilkins

Jas. B. Wimer

Wm. A. Winsatt

S. W. Woodward

E. S. Parker



J. William Henry

William A. Mearns

Chas. P. Williams

LEWIS JOHNSON & Co.

Members New York Stock Exchange

BANKERS

1319 F Street, - Washington, D. C.

Established 1858

Investment Securities
Foreign Exchange Cable Transfers
Letters of Credit

FARMERS AND MERCHANTS NATIONAL BANK

BALTIMORE, MD.

N. W. CORNER SOUTH AND LOMBARD STS.

CAPITAL, \$650,000

EARNED SURPLUS, \$325,000

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President.

WM. P. HARVEY,
Vice-President.

CARTER G. OSBURN,
Cashier.

J. E. MARSHALL,
Asst. Cashier.

CORRESPONDENCE INVITED.

STEIN BROTHERS

INVESTMENT SECURITIES.

DEPOSITS SOLICITED.

Members Baltimore Stock Exchange.

603-607 Fidelity Bldg., - - - BALTIMORE.

Permanent Location after January 1, 217 E. Baltimore St.

NATIONAL BANK OF VIRGINIA

RICHMOND, VA.

W. M. HABLSTON, President W. M. ADDISON, Cashier O. S. MORTON, Asst. Cashier

Capital, - - \$ 500,000
Surplus and Profits, 180,000
Assets, (over) - 4,000,000

Accounts of Bankers, Merchants and others received on most favorable terms. Collections made and promptly remitted for. Commercial and travelers' credits for use in all parts of the world. Safety deposit vault (nothing superior in the State). Boxes three dollars and upward.

PLEASE READ THIS ADVERTISEMENT.

THE NATIONAL MECHANICS BANK

OF BALTIMORE, MARYLAND.

CAPITAL, \$1,000,000.00
 SURPLUS, 1,200,000.00

JOHN B. RAMSAY, President. JAMES SCOTT, Cashier. CHAS. HANN, Ass't Cashier.



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 D. D. Mallory,
 Lawrason Riggs,
 John A. Whitridge,
 George C. Jenkins,
 John B. Ramsay,
 John Pleasants,
 Seymour Mandelbaum,
 Jesse Hilles,
 Miles White, Jr.
 Geo. K. McGaw,
 E. B. Hunting.

WRITE US ABOUT YOUR ACCOUNT. WE WANT IT.

FREDERIC WM. SCOTT GEORGE J. SEAY

SCOTT & STRINGFELLOW

BANKERS AND BROKERS Members New York Stock Exchange
 RICHMOND, VA.

We own and offer for Sale: \$200,000 Colorado & Southern Railway First Mortgage 4 Per Cent. Bonds. Price on application.

ON REQUEST WE WILL SEND COPIES OF OUR CIRCULARS

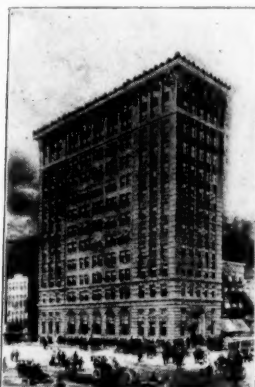
No. 44 Atlantic Coast Line (with Map)	No. 51 Colorado & Southern
No. 47 Louisville and St. Paul	No. 53 Central of Georgia
No. 48 Canada Southern	No. 54 American Car & Foundry
No. 55 Louisville and Northwest	

The National Bank of Commerce

OF NORFOLK, VIRGINIA

Capital, \$500,000

Surplus, \$300,000



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J. W. HUNTER
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TAZEWELL TAYLOR
W. T. SIMCOE

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F. GREENWOOD
T. H. WILLCOX
A. H. MARTIN
F. E. WILCOX
H. M. KERR
B. W. LEIGH
T. S. SOUTHGATE
N. BEAMAN

THIS BANK is fully equipped to care for the accounts of banks, individuals, firms and corporations. It respectfully invites correspondence or a personal interview with those who contemplate making changes or opening new accounts

OFFICERS

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M. C. FEREBEE, Assistant Cashier.

TAZEWELL TAYLOR, Vice-President.
F. A. PORTER, Assistant Cashier.

HUGH M. KERR, Cashier.

The Norfolk National Bank

NORFOLK, VA.

Capital - \$400,000

Surplus - 475,000

CALDWELL HARDY, President.
C. W. GRANDY, Vice-Prest.
A. B. SCHWARZKOPF, Cashier.
W. A. GODWIN, Asst. Cashier.

With Well Established Connections, this Bank has Unsurpassed Facilities in Every Branch of Legitimate Banking.

Accounts of Banks and Bankers received on most Favorable Terms

The Citizens Bank

OF NORFOLK, VA.

Capital \$300,000

Surplus 265,000

W. W. MOSS, President.
J. W. PERRY, Vice-President.
McD. L. WRENN, Vice-President.
TENCH F. TILGHMAN, Cashier.
GEORGE J. TWOHY, Trust Officer.
NORMAN BELL, Jr., Asst. Cashier.

All Profitable Business Solicited

LATHAM, ALEXANDER & CO.
BANKERS

AND

COTTON COMMISSION MERCHANTS.

NOS. 16 AND 18 WALL STREET,
NEW YORK.

Conduct a General Banking Business.

Members of the New York Stock and Cotton Exchanges.

Accounts of Banks, Bankers, Merchants and Individuals received on favorable terms, and Interest allowed on Daily Balances, subject to check at sight.

CONTRACTS FOR COTTON FOR FUTURE DELIVERY BOUGHT AND SOLD ON COMMISSION.

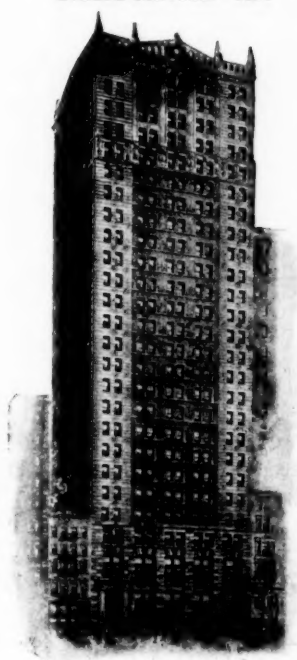
The
LIBERTY
NATIONAL BANK
of New York.

139 Broadway

National Bank of North America

IN NEW YORK

INCORPORATED 1851



Capital, \$2,000,000 Surplus, \$2,000,000
Deposits, \$20,000,000

UNITED STATES, STATE AND
CITY DEPOSITARY

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CHARLES W. MORSE,
Vice-President

EDWARD B. WIRE,
Cashier

HENRY CHAPIN, JR.,
Vice-President

J. FREDERICK SWEASY,
Assistant Cashier

DIRECTORS

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WARNER VAN NORDEN
JOHN H. FLAGLER
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MAHLON D. THATCHER
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WARNER M. VAN NORDEN
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AMBROSE MONELL
ALFRED H. CURTIS

Issues Travelers' Letters of Credit

Organized 1803.

MERCHANTS' NATIONAL BANK

OF THE CITY OF NEW YORK

42 Wall Street

Capital, \$2,000,000 Surplus, \$1,400,000

OFFICERS:

Robert M. Gallaway,	-	-	President.
Elbert A. Brinckerhoff,	-	-	Vice-President.
Samuel S. Campbell,	-	-	Cashier.
Albert S. Cox,	-	-	Asst. Cashier.

DIRECTORS:

John A. Stewart,	Ch'man Board U. S. Tr. Co.
Elbert A. Brinckerhoff,	Capitalist.
Chas. Stewart Smith,	Merchant.
Gustav H. Schwab,	Oelrichs & Co.
Donald Mackay,	Mackay & Co.
Robert M. Gallaway,	President.
Charles D. Dickey,	Brown Bros. & Co.
George Sherman,	Vice-Pres. Central Trust Co.
Edward Holbrook,	Pres. Gorham M'fg Co.
Orris K. Eldredge,	Eldredge, Lewis & Co.
Joseph W. Harriman,	Harriman & Co.

Promptness, courtesy and careful attention to the wants of our customers are some of the features of our business policy.

Accounts Invited.

ESTABLISHED 1853

The Oriental Bank

OF NEW YORK

182-184 Broadway

Branch, Bowery and Grand St.

CAPITAL, - - - \$750,000.00

SURPLUS AND PROFITS, \$1,100,000.00

R. W. JONES, Jr., President

NELSON G. AYRES,	1st Vice-President
LUDWIG NISSEN,	} Vice-Presidents
ERSKINE HEWITT,	
CHARLES J. DAY,	
GEO. W. ADAMS,	Cashier
R. B. ESTERBROOK,	Asst. Cashier

Specially Equipped for Handling
the Accounts of Banks and Bankers

The **IRVING** National Bank,

Chambers Street and West Broadway
NEW YORK.

Capital and Surplus,
\$2,000,000

CHARLES H. FANCHER, President
CHARLES F. MATTLAGE, Vice-Pres't
SAMUEL S. CONOVER, Vice-Pres't
BENJAMIN F. WERNER, Cashier
EUGENE VAN ZANDT, Asst. Cashier

"A Clearing House Bank of proved stability and unquestioned standing."

KNICKERBOCKER TRUST CO.

66 Broadway,
100 W. 125th St.

358 Fifth Avenue,
3d Av. & 148th St.

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FRED'K L. ELDRIDGE, 1st Vice-Pres.
JOSEPH T. BROWN, 2d Vice-Pres.
JULIAN M. GERARD, 3d Vice-Pres.
B. L. ALLEN, 4th Vice-Pres.
FRED'K GORE KING, Sec'y and Treas.
J. M'LEAN WALTON, Ass't Sec'y.
HARRIS A. DUNN, Ass't Treas.
Trust Department, WILLIAM B. RANDALL, Trust Officer.
H. M. De LANCIE, Ass't Trust Officer.
Harlem Branch, W. F. LEWIS, Manager.
Bronx Branch, JOHN BAMBEY, Manager.

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HARRY B. HOLLINS
CHARLES T. BARNEY
A. FOSTER HIGGINS
JAMES H. BRESLIN
I. TOWNSEND BURDEN
HENRY F. DIMOCK
CHARLES F. WATSON
FREDERICK G. BOURNE
C. LAWRENCE PERKINS
CHARLES T. COOK

JOHN MAGEE
HENRY C. BERLIN
CHARLES W. GOULD
FRED'K L. ELDRIDGE
HENRY W. d-FOREST
ALFRED B. MACLAY
WIL SLOANE
MOSES TAYLOR
G. LOUIS BOISSEvain
A. H. BARNEY
PAYNE WHITNEY

ALFRED G. EVANS
JAMES B. HAGGIN
JAMES W. GERARD
HOSNER B. PARSONS
CLARENCE MORGAN
JOSEPH T. BROWN
HENRY R. HOYT
GEORGE C. CLARK, Jr.
WILLIAM A. TUCKER
CHAS. F. HOFFMAN
EDGAR J. LEVEY

SEABOARD NATIONAL BANK

NEW YORK, N. Y.

Capital, \$500,000

Surplus (earned), \$1,478,000

S. G. NELSON, Vice-President.
W. K. CLEVERLEY, Assistant Cashier.

S. G. BAYNE, President.

C. C. THOMPSON, Cashier.
J. H. DAVIS, Assistant Cashier.

WE MAKE ESPECIAL EFFORTS TO PLEASE OUT-OF-TOWN CORRESPONDENTS
ACCOUNTS SOLICITED.

COLONIAL TRUST COMPANY

222 BROADWAY, NEW YORK

CAPITAL, SURPLUS and UNDIVIDED PROFITS, \$2,600,000

Transacts a General Trust Business

Takes entire charge of Real Estate. Acts as Trustee for Railroad and other Mortgages. Transacts a General Banking Business and allows interest on daily balances.

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RICHARD DELAFIELD, CORD MEYER, JAMES W. TAPPIN, PHILIP S. BABCOCK,	JOHN E. BORNE, President Vice-Presidents	ARPAD S. GROSSMANN, Treasurer EDMUND L. JUDSON, Secretary JOSEPH N. BABCOCK, Trust Officer
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TRUSTEES

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ANSON R. FLOWER
WM. T. WARDWELL
LOWELL M. PALMER
JOHN E. BORNE
PERCIVAL KÜHNE
CORD MEYER

PERRY BELMONT
DANIEL O'DAY
SETH M. MILLIKEN
FRANK CURTISS
L. C. DESSAR
HENRY N. WHITNEY
VERNON H. BROWN

THEO. W. MYERS
GEO. WARREN SMITH
RICHARD DELAFIELD
JAMES W. TAPPIN
GEO. W. QUINTARD
GEO. EDWARD IDE
STEPHEN PEABODY

THE WASHINGTON TRUST CO.

OF THE CITY OF NEW YORK

Stewart Building, 280 Broadway

Capital, Surplus and Undivided Profits, \$1,500,000

DAVID M. MORRISON, President GEORGE AUSTIN MORRISON, P. C. LOUNSBURY,	Vice- Presidents	FRANCIS H. PAGE, 2d Vice-President M. S. LOTT, Secretary H. F. PRICE, Asst. Secretary
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George H. Prentiss
Phineas C. Lounsbury
David M. Morrison
Seth E. Thomas

Lucius K. Wilmerding
Geo. Austin Morrison
Joseph C. Baldwin
William Whiting
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Clarence W. Seamans
Charles F. Cutler
Carl Schefer
E. C. Converse
John Harsen Rhoades

Francis H. Leggett
William A. Putnam
Charles M. Clark
Francis H. Page

INTEREST ALLOWED ON DEPOSITS

This Company is especially designated by the **Supreme Court of the State of New York** a legal depository for Court and Trust Funds, and is authorized to do any and all other business usually done by Trust Companies of responsibility and standing.

United States Mortgage and Trust Company,

55 CEDAR STREET, NEW YORK

WEST END OFFICE: 73d STREET AND BROADWAY

CAPITAL, \$2,000,000.00 SURPLUS, \$4,000,000.00

The Company is a designated legal depositary for the State of New York, the City of New York, and for Trust and Court funds.

Pays Interest on Deposits subject to Check.

Allows Special Rates on Time Deposits.

Issues Foreign Drafts and Letters of Credit payable throughout the World.

Also issues Domestic Letters of Credit available in all parts of the United States, Canada, Mexico and the West Indies.

OFFICERS

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LUTHER KOUNTZE, Vice-President.

EBEN B. THOMAS, Vice-President.

JOHN W. PLATTEN, Vice-President.

CALVERT BREWER, Secretary.

CARL G. RASMUS, Treasurer.

WILLIAM C. IVISON, Asst. Treasurer.

ALEX. PHILLIPS, Mgr. Foreign Dept.

H. L. SERVOS, Mgr. West End Office.

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WILLIAM B. BOULTON.

DUMONT CLARKE.

C. A. COFFIN.

GEORGE A. COX.

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LOUIS A. THEBAUD.

EBEN B. THOMAS.

JAMES TIMPSON.

ARTHUR TURNBULL.

CORNELIUS VANDERBILT

COMMERCIAL TRUST COMPANY OF NEW JERSEY

15 EXCHANGE PLACE, JERSEY CITY, N. J.

CAPITAL, \$1,000,000.00

SURPLUS AND PROFITS, \$2,100,000.00

**Safe Deposit Vaults of Best Modern Construction Located at Terminus
of Pennsylvania Railroad Ferries from New York and Brooklyn**

Boxes \$5.00 to \$500.00 per annum.

Pays Interest on regular Check Accounts and on Certificates of Deposit.

Loans money on Bond and Mortgage and approved securities.

Acts as Trustee under Corporate Mortgages and as Registrar and Transfer Agent for Corporations.

Acts as Administrator, Executor, Guardian and Trustee for Individuals.

Special attention given and facilities offered to Corporations organized under the Laws of the State of New Jersey.

Prompt returns made for Collections on all points in the United States.

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JAY S. PERKINS, Assistant Treasurer

J. RICHARD TENNANT, Assistant Secretary

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C. Ledyard Blair
Frederick G. Bourne
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Frederic Cromwell
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Charles D. Dickey
Oscar L. Gubelman
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James A. Macdonald
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Edwin A. Stevens

Eben B. Thomas
Myles Tierney
James Timpson
Cornelius Vanderbilt
John J. Voorhees
George W. Young
Augustus Zabriskie

LONG ISLAND LOAN & TRUST COMPANY

BROOKLYN-NEW YORK CITY

Capital, \$1,000,000

Surplus & Profits, \$1,600,000

DEPARTMENTS

Banking, Trust, Safe Deposit, Letters of Credit, Foreign Exchange

OFFICERS

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DAVID G. LEGGET, Second Vice-President

CLINTON L. ROSSITER, First Vice-President

FREDERICK T. ALDRIDGE, Secretary

WILLARD P. SCHENCK, Assistant Secretary

MARKET AND FULTON NATIONAL BANK

Of New York.

Capital, - - \$1,000,000
Surplus, - - 1,000,000
Undivided Profits, 350,000

ALEXANDER GILBERT, President.

ROBERT A. PARKER, Vice-President.

THOMAS J. STEVENS, Cashier.

JOHN H. CARR, Ass't Cashier.

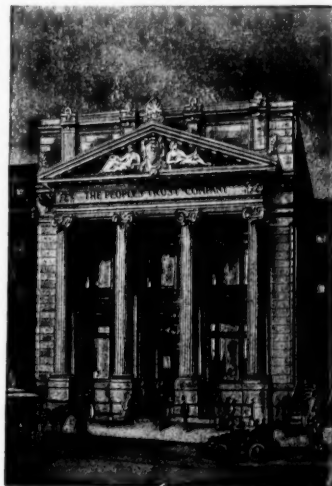
Accounts Received on the Most Liberal Terms
Consistent with Sound Banking.

The Peoples Trust Company

172 MONTAGUE STREET

Bedford Branch, cor. Bedford Ave. & Halsey Street
BROOKLYN, NEW YORK

Capital and Surplus, \$2,700,000.00

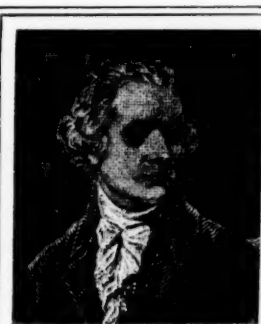


OFFICERS

EDWARD JOHNSON, President

J. G. DETTMER, Vice-President
HORACE J. MORSE, President
CHARLES A. BOODY, Secretary

CHARLES L. SCHENCK, Assistant Secretary
HENRY M. HEATH, Secretary
WILLIAM A. FISCHER, Secretary



Hamilton Trust Co.

191 Montague St., Brooklyn, New York City.

Statement of Condition at the Close of Business, Oct. 2, 1905.

Resources

New York City Bonds,
(market value).... \$107,000.00
Stocks and Bonds,
(market value).... 2,081,922.50
Bonds and Mortgages... 626,675.00
Loans on Collateral... 4,085,139.49
Bills Purchased..... 516,984.90
Cash on hand..... 741,062.87
Cash in Banks..... 604,939.27
Real Estate..... 26,407.46
Interest due Company 64,947.66
\$8,813,669.15

Liabilities

Capital..... \$500,000.00
Surplus and Undivided
Profits..... 1,127,067.88
Interest due Depositors..... 55,997.56
Account Taxes..... 4,000.00
Deposits..... 7,126,488.61
Dividends Unpaid.... 83.00
\$8,813,669.15

SILAS B. DUTCHER, President

WILLIAM BERRI, 1st Vice-Pres.

WALTER C. HUMSTONE, 2nd Vice-Pres.

GEORGE HADDEN, 3rd Vice-Pres. and Sec'y

ROBERT S. GIRLING, Asst. Sec'y

CLEMENT & SMITH

BANKERS AND BROKERS

NO. 1 NASSAU STREET (CORNER NASSAU AND WALL)

NEW YORK

MEMBERS NEW YORK STOCK EXCHANGE

CHAS. D. BARNEY & Co.

BANKERS AND BROKERS

Nos. 122 and 124 South Fourth St., - - Philadelphia

BRANCH OFFICE, NORTH AMERICAN BUILDING.

No. 25 Broad Street, New York

Dealers in Investment Securities. Stocks and Bonds Bought and Sold on
Commission and Carried on favorable Terms.

MEMBERS NEW YORK AND PHILADELPHIA STOCK EXCHANGES

W. EUGENE KIMBALL

ESTABLISHED 1865.

LEEDS JOHNSON

R. J. KIMBALL & CO.

Stocks-Bonds

Investment Securities

Members New York Stock Exchange. 7 NASSAU ST., NEW YORK.

KNAUTH, NACHOD & KÜHNE,

15 WILLIAM STREET, - NEW YORK.

BANKERS,

Members New York Stock Exchange. INVESTMENT SECURITIES.

BRITISH GOVERNMENT BONDS; GERMAN GOVERNMENT AND MUNICIPAL BONDS.

LETTERS OF CREDIT AND INTERNATIONAL
TRAVELERS' CHECKS AVAILABLE EVERYWHERE

FOREIGN EXCHANGE.

CORRESPONDENTS THROUGHOUT THE WORLD

THE LINCOLN NATIONAL BANK OF THE CITY OF NEW YORK

Forty-Second St., opp. Grand Central Station Designated Depository of the United States, State of New York and City of New York

OCTOBER 2nd, 1905.

CAPITAL, - - - - \$ 300,000.00
SURPLUS AND UNDIVIDED PROFITS, 1,444,981.83
DEPOSITS, - - - - 16,500,000.00

OFFICERS

President, Thomas L. James Vice-Presidents, E. V. W. Rosaliter, J. D. Layng, William A. Simonsen
Cashier, Charles Elliot Warren Assistant Cashiers, Talcott C. Van Santvoord, David C. Grant

DIRECTORS

Thomas L. James, Matthew C. D. Borden, E. V. W. Rosaliter, William Rockefeller, Eben E. Olcott
Charles C. Clarke, J. D. Layng, James Stillman, William K. Vanderbilt, Jr., Joseph P. Grace

Accounts of Banks, Bankers, Merchants and Individuals invited. Foreign and Domestic Exchange bought and sold. Telegraphic transfers of money on all points. Letters of Credit issued available in all parts of the world. Correspondence solicited. Burglar proof vaults. Fire proof storage. Safes \$5.00 per year and upwards.

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President.

H. M. HUMPHREY,
Vice-Prest. & Secy.

W. F. H. KOELSCH,
Treasurer.

G. S. MOTT,
Ass't Secretary.

WEBB FLOYD,
Ass't Secretary.

The Mutual Alliance Trust Company

OF NEW YORK

66 BEAVER STREET and 323 GRAND STREET

Capital, Surplus and Undivided Profits, \$1,026,596

Receives deposits subject to check and allows interest on daily balances.
Certificates of Deposits (time and demand) issued. Exceptional facilities for the collection of out-of-town items.

Authorized by law to act as Executor, Administrator, Trustee, Guardian, etc., and is a legal depository for Court and Trust Funds.

Every facility offered merchants for the transaction of their banking business.

EDWARD SWEET & CO.

BANKERS,

17 Nassau Street, - - NEW YORK.

Established
1854.

Members
New York Stock Exchange.

N. W. HALSEY & CO. BANKERS

TRANSACT A GENERAL BANKING BUSINESS. ALLOW INTEREST ON
DEPOSIT ACCOUNTS SUBJECT TO CHEQUE. ACT AS FISCAL AGENTS
FOR INDIVIDUALS AND INSTITUTIONS. DEAL IN CAREFULLY SELECTED

BONDS FOR CONSERVATIVE INVESTMENT
OF INSTITUTIONAL AND PRIVATE FUNDS

CORRESPONDENCE INVITED

NEW YORK
SAN FRANCISCO

CHICAGO
PHILADELPHIA

BOSTON CORRESPONDENT - MERRILL, OLDHAM & CO.

JAS. H. OLIPHANT & CO.

20 BROAD ST.

BANKERS

NEW YORK

INVESTMENT SECURITIES

Our Statistical Department is well equipped with official reports and original data, and is prepared to furnish all obtainable information concerning Railroad and Industrial Corporations. We give particular attention to individual investors, and will furnish upon application a list of desirable investments. Dividends and interest collected and remitted.

Members New York Stock Exchange.

Correspondence Invited.

HODENPYL, WALBRIDGE & CO.

BANKERS

7 WALL STREET, NEW YORK

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T. W. STEPHENS & CO.

BANKERS

2 Wall Street, New York

Corporation and Municipal Bonds For Investment

HIGH GRADE RAILROAD BONDS

Suitable for Banks and Bankers

GUARANTEED R. R. STOCKS

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A. M. Kidder & Co. 18 WALL STREET, NEW YORK
Members of the New York Stock Exchange

The Market Street National Bank

Philadelphia, Penna.

Capital, \$1,000,000 Surplus and Net Profits, \$750,000 Deposits, \$7,500,000

GEORGE H. EARLE, Jr., President
JAMES F. SULLIVAN, Vice-President

GEORGE D. McCREARY, 2d Vice-President
WILLIAM P. SINNETT, Cashier

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We invite the Accounts of Banks, Corporations, Firms and Individuals and will be pleased to meet or correspond with those who contemplate making changes or opening new accounts.

E. W. CLARK & Co.

BANKERS

139 South Fourth Street, Philadelphia

ESTABLISHED 1837.

Street Railway Bonds and Stocks a Specialty

Members of the Philadelphia and New York Stock Exchanges.

New York Correspondents { CLARK, DODGE & CO.
FIRST NATIONAL BANK.

INTEREST ALLOWED ON DEPOSITS.

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BANKERS AND BROKERS

INVESTMENT SECURITIES

112 SOUTH FOURTH ST.

PHILADELPHIA

Members of the New York and Philadelphia Stock Exchanges.

The Real Estate Trust Company OF PHILADELPHIA

SOUTH-EAST CORNER CHESTNUT AND BROAD STREETS

Capital, full paid, \$1,500,000 Surplus and profits, \$1,450,000

FRANK K. HIPPLE, President SAMUEL F. HOUSTON, Vice-President WILLIAM F. NORTH, Treasurer
WILLIAM R. PHILLER, Secretary THOMAS B. PROSSER, Real Estate Officer
ROBERT D. GHRISKEY, Cashier M. S. COLLINGWOOD, Ass't Treasurer
ROLAND L. TAYLOR, Ass't Secretary

DIRECTORS

Frank K. Hipple R. Dale Benson William W. Porter Edward P. Borden S. Weir Mitchell, M.D. Bayard Henry
John F. Betz Joseph DeF. Junkin John H. Converse William A. Patton Samuel F. Houston Frank C. Robert

The Fourth Street National Bank of Philadelphia

CAPITAL,	-	-	-	\$3,000,000
SURPLUS AND PROFITS,	-	\$5,100,000		

Accounts of Banks and Bankers Solicited.
Exceptional Collection Facilities.
Foreign Exchange Bought and Sold.

R. H. RUSHTON, President.	
F. L. POTTS, Vice-President. S. F. TYLER, Vice-President. B. M. FAIRES, Vice-President.	E. F. SHANBACKER, Cashier. W. Z. McLEAR, Assistant Cashier. FRANK G. ROGERS, Manager Foreign Exchange Dept.

ORGANIZED 1807

The Farmers' and Mechanics' National Bank Philadelphia

CAPITAL	-	\$2,000,000
SURPLUS AND PROFITS	-	1,080,000
DIVIDENDS PAID	-	12,307,000

HOWARD W. LEWIS, President.
HENRY B. BARTOW, Cashier. JOHN MASON, Transfer Officer.
OSCAR E. WEISS, Assistant Cashier.

Accounts of Banks and Bankers, Corporations and Mercantile Firms Invited.

Graham & Co.

BANKERS,

435 Chestnut St.

Philadelphia.

INVESTMENT SECURITIES
LETTERS OF CREDIT.

THE PHILADELPHIA NATIONAL BANK

PHILADELPHIA, PA.

ORGANIZED, 1803.

NATIONAL BANK, 1864.

CONDITION AT THE CLOSE OF BUSINESS SEPTEMBER 30, 1905.

RESOURCES.		
Loans and Discounts,	- - - - -	\$25,834,928 28
Due from Banks,	- - - - -	4,513,285 15
Exchanges for Clearing House,	- - - - - \$2,709,875 80	
Cash and Reserve,	- - - - - 9,134,716 53	
		<hr/> 11,844,592 33
		\$42,192,805 76
LIABILITIES.		
Capital Stock,	- - - - -	\$1,500,000 00
Surplus and Net Profits,	- - - - -	2,605,555 68
Circulation,	- - - - -	1,037,300 00
DEPOSITS {	Individual,	\$22,007,559 44
	Bank,	15,042,390 64
		<hr/> 37,049,950 08
		\$42,192,805 76

OFFICERS.

N. PARKER SHORTRIDGE, President.
LINCOLN GODFREY,
Vice-President.
HARRY J. KESER,
Cashier.

LEVI L. RUE,
Vice-President.
HORACE FORTESCUE,
Assistant Cashier.

DIRECTORS.

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Richard Ashhurst
Lincoln Godfrey
John H. Converse

George Wood
Alfred C. Harrison
Levi L. Rue
George H. Frazier

A. J. Cassatt
Percival Roberts, Jr.
George H. McFadden
Edward T. Stotesbury

James F. Hope
Effingham B. Morris
Randal Morgan
R. Dale Benson

Accounts of Banks and Bankers Respectfully Invited.

ORGANIZED 1864.		
Capital \$750,000 Surplus and Profits \$2,500,000	The Central National Bank Philadelphia	THEO. KITCHEN, President WILLIAM POST, Cashier WILLIAM Y. CONRAD, Asst. Cashier
Accounts of Banks, Bankers, Individuals, Firms, Corporations, Trustees and Estates invited on the most Liberal terms consistent with safe banking.		

JAMES CAROTHERS

WILLIAM E. VON BONNHORST

JAMES CAROTHERS & CO.

STOCK AND BOND BROKERS.

MEMBERS PITTSBURGH STOCK EXCHANGE.

305 Fourth Avenue,

PITTSBURGH.

INVESTMENT SECURITIES LOCAL TO PITTSBURGH A SPECIALTY.

Mellon National Bank

OF PITTSBURGH

Capital and Surplus, \$5,100,000

A complete banking organization,
equipped to serve its customers
along all conservative lines of
modern finance.

Special attention given to the
accounts of Banks and Trust
Companies.

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R. B. MELLON, Vice-President

A. C. KNOX, Vice-President

W. S. MITCHELL, Cashier

B. W. LEWIS, Asst. Cashier

A. W. McELDOWNEY, Asst. Cashier

H. S. ZIMMERMAN, Asst. Cashier

DIRECTORS

Andrew W. Mellon
H. C. McEldowney
B. F. Jones, Jr.
William G. Park
George I. Whitney
Robert Pitcairn
William B. Schiller

Henry C. Frick
Jas. H. Lockhart
Richard B. Mellon
Henry C. Fownes
A. C. Knox
George E. Shaw
J. Marshall Lockhart

P. C. Knox
J. M. Schoonmaker
Henry Phipps
David E. Park
William N. Frew
John B. Finley
Walter S. Mitchell

514 Smithfield St.

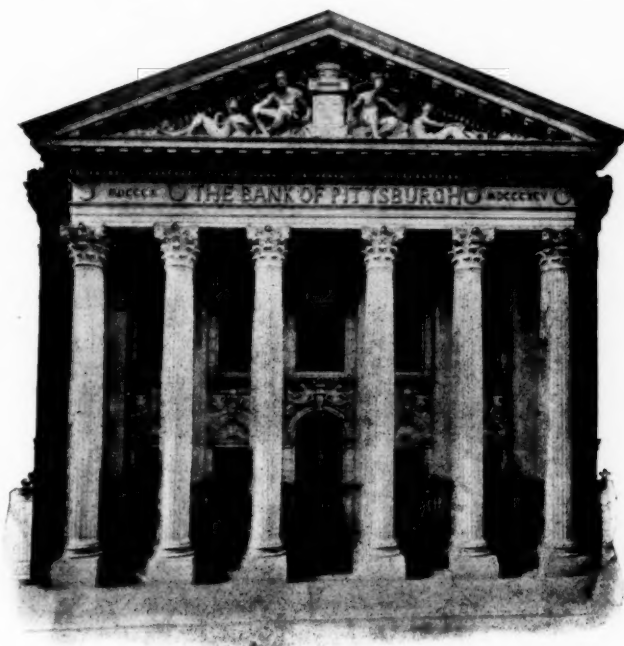
409 Fifth Avenue

Oldest Bank West of the Alleghany Mountains

ORGANIZED 1810

The Bank of Pittsburgh

NATIONAL ASSOCIATION



THE BANK THAT HAS GROWN UP WITH PITTSBURGH

CAPITAL, \$2,400,000.00 SURPLUS, \$2,600,000.00

OFFICERS

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JOSEPH R. PAULL, Vice-President
W. F. BICKEL, Cashier

J. M. RUSSELL, First Assistant Cashier
W. L. JACK, Assistant Cashier
J. D. AYRES, Assistant Cashier

GEORGE F. WRIGHT, Auditor

Business Relations With Conservatively Managed Banks Desired

J. L. HALL, President.

M. P. LeGRAND, Vice-President.
HENRY T. BARTLETT, Assistant Cashier.

LOUIS B. FARLEY, Cashier.
R. E. SEIBELS, Assistant Cashier.

The Merchants & Planters-Farley National Bank

MONTGOMERY, ALA.

CAPITAL \$500,000.00

SURPLUS \$150,000.00

UNDIVIDED PROFITS \$112,500.00

Adequate Resources, Conservative Management by Experienced Officers, a Modern Equipment in all Departments, and Direct Banking Connections, enable us to guarantee QUICK AND SAFE RETURNS to all banks sending us Alabama and other Southern Collections at the very LOWEST RATES.

This Bank has the LARGEST CAPITAL, SURPLUS, UNDIVIDED PROFITS AND DEPOSITS of any BANK in this city.

“DROP US A LINE.”

See our Card advertisement in ANY Bankers' Directory.

Organized 1871

Capital
\$225,000

Surplus and Profits
\$100,000

The
First National Bank
of
Montgomery, Ala.

A. M. BALDWIN, President.

A. S. WOOLFOLK, Cashier.

J. C. STRATFORD, Ass't Cashier.

DEPOSITORY FOR THE CITY AND
COUNTY OF MONTGOMERY.

The American National Bank

Louisville, Ky.

Capital, \$800,000
Surplus and Earnings, over 200,000
Deposits, 5,000,000

Correspondence Invited.

LOGAN C. MURRAY, . . . President
J. S. BOCKEE, . . . Vice-President
R. F. WARFIELD, . . . Cashier
CHAS. C. CARTER, . . . Ass't Cashier
FORREST L. MOSELEY . . . Ass't Cashier

J. W. WHITING, . . . President.
J. B. DAVIS, . . . Vice-President.

J. W. LITTLE, . . . Cashier.
B. W. PADGETT, . . . Ass't Cashier.

PEOPLES BANK

MOBILE, ALA.

Capital, - - - \$150,000.00
Surplus, - - - 525,000.00
Deposits, - - - 2,100,000.00

We collect all Alabama, Florida and Mississippi items at actual cost. We solicit your Alabama items especially. We rank 29th out of 342 State Banks on the Roll of Honor of the United States.

BIRMINGHAM TRUST & SAVINGS CO.

BIRMINGHAM, ALA.

CAPITAL, : : \$500,000.00
 SURPLUS, : : 200,000.00

STEADY ADHERENCE TO CONSERVATIVE BANKING IS COUPLED WITH PROMPT
 ATTENTION TO ALL BUSINESS.

COLLECTION ACCOUNTS SOLICITED.

THE FIRST NATIONAL BANK

OF BIRMINGHAM, ALA.

RESOURCES.		CONDITION, AUGUST 25TH, 1905.		LIABILITIES.	
Loans and Discounts	-	\$3,990,277	76	Capital Stock	- - - \$ 500,000 00
Overdrafts	-	-	505 64	Surplus and Profits	- - - 354,514 46
U. S. Bonds and Premiums	-	564,500	00	Circulation	- - - 500,000 00
Other Stocks and Bonds	-	23,700	00	Deposits	- - - 5,601,032 94
Real Estate—Old Bank Building	-	56,000	00		
Cash and Exchange	-	2,320,564	00		
		\$6,955,547	40		\$6,955,547 40

OFFICERS.

J. H. WOODWARD, Vice-President. W. P. G. HARDING, President. J. H. BARR, Vice-President and Cashier.
 A. R. FORSYTH, Asst. Cashier. THOS. BOWRON, Asst. Cashier. F. S. FOSTER, Asst. Cashier.

We make a Specialty of Collections. Send us your Alabama Items for direct distribution.
 THE CAPITAL STOCK OF THIS BANK WILL BE INCREASED TO \$1,000,000 ON NOV. 1ST.

ESTABLISHED 1868

ISIDORE NEWMAN & SONS

BANKERS AND BROKERS

212 Carondelet Street NEW ORLEANS

NEW YORK - 25 BROAD STREET.

ESTABLISHED 1872.

PETER HELLWEGE & CO.
 BROKERS,
 COTTON, STOCKS AND BONDS,
 NEW ORLEANS.

MEMBERS

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 New Orleans Stock Exchange.
 New Orleans Board of Trade.
 New York Cotton Exchange.
 Liverpool Cotton Brokers Assn.

PETER HELLWEGE.
 PETER E. HELLWEGE.
 RODOLPH WOESTE.

The HOLSTON NATIONAL BANK

OF KNOXVILLE, TENN.

514 GAY STREET

Capital,	-	-	-	-	\$200,000.00
Surplus and Profits,	-	-	-	-	50,000.00
Deposits,	-	-	-	-	930,000.00

OFFICERS:

Joseph P. Gaut, President
D. A. Rosenthal, Vice-President
J. A. Armstrong, Asst. Cashier

DIRECTORS:

H. S. Mizner J. H. Cowan D. A. Rosenthal
Jno. M. Allen Cecil H. Baker Jos. P. Gaut
J. B. Jones Hu. L. McClung T. R. Price

W. H. GASS, President H. M. JOHNSTON, Cashier
J.W. HOPE, Vice-Prest. W.O. WHITTLE, Asst. Cashier

ESTABLISHED 1888

The Knoxville Banking Company

Knoxville, Tenn.

17 years of successful
experience enables us to
render prompt and satis-
factory service in our
Collection Department.

UNITED STATES DEPOSITORY

The

City National Bank

OF

Knoxville, Tenn.

Organized 1888

Capital,	-	-	-	-	\$ 300,000.00
Surplus,	-	-	-	-	227,500.00
Deposits,	-	-	-	-	2,300,000.00

WM. S. SHIELDS, President
EDWARD HENEGAR, Vice-President
WM. T. MARFIELD, Cashier
R. E. MOONEY, Asst. Cashier

Send us your Tennessee Business.

— THE —

FIFTH NATIONAL BANK OF CINCINNATI

Depository United States
and State of Ohio

OFFICERS

CHARLES A. HINSCH, President
JAS. M. GLENN, Vice-President
EDWARD SEITER, Cashier
MONTE J. GOBLE, Asst. Cashier
CHAS. H. SHIELDS, Asst. Cashier

Capital	-	-	-	\$600,000.00	} \$1,100,000.00
Surplus and Profits,	500,000.00				
Deposits,	-	-	-	\$6,200,000.00	

ACCOUNTS of Banks, Corporations, Firms, and Individuals
Solicited and Received upon the Most Favorable Terms.

BONDS High-Grade Investment Bonds
Bought and Sold.

FOREIGN DEPARTMENT.

FIRST NATIONAL BANK

NASHVILLE, TENN.

UNITED STATES DEPOSITORY.
CAPITAL, - \$400,000 DEPOSITS, - \$3,000,000

F. O. WATTS, President. RANDAL CURELL, Cashier.
D. S. WILLIAMS, Vice-President. R. E. DONNELL, Asst. Cashier.

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We reach 83 per cent. of the banking population of the State direct through our reciprocal bank correspondents and therefore offer the safest and quickest way for handling your collections. Your business is respectfully solicited.

The Fourth National Bank

OF ATLANTA, GEORGIA,

magnificently equipped, and with exceptional facilities for handling Southern business, offers its services to the banking public.

CAPITAL STOCK, - - - - - \$400,000.00
SURPLUS and UNDIVIDED PROFITS, - - - 298,400.00
DEPOSITS, - - - - - 3,366,424.00

OFFICERS:

JAMES W. ENGLISH, President. JOHN K. OTTLEY, Cashier.
WALKER P. INMAN, Vice President. CHAS. I. RYAN, Ass't Cashier.

CORRESPONDENCE INVITED.



Bank of Commerce & Trust Company,

MEMPHIS, TENNESSEE.

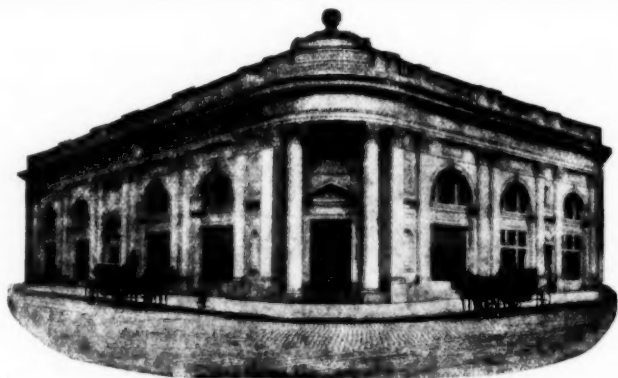
CAPITAL AND SURPLUS, . . . \$2,000,000.00.

The Memphis Trust Company with a capital and surplus of \$1,300,000, and the National Bank of Commerce with a capital and surplus of \$750,000, have recently consolidated under the name BANK OF COMMERCE AND TRUST COMPANY, and will move into their new modern Banking room the latter part of October.

The merged Company will be one of the largest and strongest financial institutions in the South. With years of experience in both the Trust and Banking business, the Company offers the public its services in the following departments:

COMMERCIAL AND GENERAL BANKING; Collection facilities unexcelled.
TRUST DEPARTMENT; Accepts trusts of every description.
REAL ESTATE DEPARTMENT; Buys, sells, on commission, rents and appraises real property.
TITLE GUARANTY DEPARTMENT; Guarantees titles to real estate.
BOND DEPARTMENT; Buys and sells investment bonds and stocks.
INSURANCE DEPARTMENT; Writes Fire Insurance and Surety Bonds as Agent.
SAFE DEPOSIT DEPARTMENT; Rents boxes \$5.00 per year and upwards.

CORRESPONDENCE INVITED.



Mississippi Valley Trust Co.

NORTHWEST CORNER FOURTH AND PINE STREETS, ST. LOUIS

Capital, Surplus and Profits, \$8,400,000

The Business of this Company is conducted in five departments, as follows:

- (1) **FINANCIAL OR MONEY DEPOSIT**—Receives deposits on time, savings and checking accounts and pays interest thereon; loans money on St. Louis city real estate and listed high grade securities; buys and sells domestic and foreign exchange; issues its own letters of credit available everywhere
- (2) **TRUST OR FIDUCIARY**—Executes all manner of trusts; acts, under authority of the law, as executor, administrator, trustee, guardian, curator, register and transfer agent of bonds and stocks, receiver and financial agent for non-residents and others; becomes sole surety on bonds required by law to be given
- (3) **BOND OR INVESTMENT**—Buys and sells selected high grade investment securities. List of bonds for sale mailed on application. Commission orders, at usual rates, executed with promptness
- (4) **REAL ESTATE**—Manages, buys, sells, rents and appraises St. Louis city real estate. Pays taxes, places insurance, collects rents
- (5) **SAFE DEPOSIT OR STORAGE VAULTS**—Rents safe deposit boxes in fire, burglar and mob proof vault at \$5 and upwards per annum; stores, at special rates, trunks and boxes containing silverware and other bulky valuables

CORRESPONDENCE INVITED

ALL BUSINESS STRICTLY CONFIDENTIAL

OFFICERS

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BRECKINRIDGE JONES, Vice-President and Counsel
JOHN D. DAVIS, Vice-President
SAMUEL E. HOFFMAN, Vice-President
JAMES E. BROCK, Secretary
HUGH R. LYLE, Assistant Secretary

HENRY C. INBYSTON, Assistant Secretary
FREDERICK VIERLING, Trust Officer
HENRY SEMPLE AMER, Assistant Trust Officer
WILLIAM G. LACEY, Bond Officer
TOM W. BENNETT, Real Estate Officer
WM. MCCL. MARTIN, Safe Deposit Officer

DIRECTORS

JOHN T. BEGGS, President (Union Electric Light & Power Co.
WILBUR F. BOYLE, Boyle & Priest
JAMES E. BROCK, Secretary
MURRAY CARLETON, President Carleton Dry Goods Co.
CHARLES CLARK
HORATIO N. DAVIS, President Smith & Davis Mfg. Co.
JOHN D. DAVIS, Vice-President
HARRISON L. DRUMMOND, President Drummond Realty and Investment Co.
AUGUSTE B. EWING
DAVID R. FRANCIS, President D. R. Francis & Bro. Commission Co.
AUGUST GEHNER, President German-American Bank

GEO. H. GODDARD
S. E. HOFFMAN, Vice-President
CHAS. H. HUTTON, President Third National Bank
BRECKINRIDGE JONES, Vice-President and Counsel
WM. F. NOLKER, Treasurer St. Louis Brewing Ass'n
SAUNDERS NORVELL, President Norvell-Shapleigh Hardware Co.
ROBERT J. O'REILLY, M. D.
WM. D. ORTHWEIN, President Wm. D. Orthwein Grain Co.
H. CLAY PIERCE, Chairman Board Waters-Pierce Oil Co.
JOSEPH RAMSEY, JR., President Wabash R. R. Co.
ROBERT H. STOCKTON, President Majestic Mfg. Co.
JULIUS S. WALSH, President
ROLLA WELLS, Mayor of City of St. Louis

Mercantile Trust Company

Saint Louis

Member St. Louis Clearing House Association

Capital and Surplus, \$9,500,000

Deposits, - - \$17,500,000

OFFICERS:

FESTUS J. WADE, President	
CORWIN H. SPENCER, - - Vice-President	WILLIAM MAFFITT, Ass't Treasurer
LORENZO E. ANDERSON, - Vice-President	JOHN H. KRUSE, - Ass't Treasurer
GEO. W. WILSON, Vice-President and Treasurer	EDWARD BUDER, - Ass't Treasurer
C. H. McMILLAN, - - - Secretary	J. B. MOBERLY, - - Ass't Secretary

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Companies, Banks and Bankers.**

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and sold. Letters of Credit issued available anywhere
in the civilized world. Deals in high-grade invest-
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Correspondence Invited

BOOKS OF FIRMS AND CORPORATIONS AUDITED SPECIALLY OR PERIODICALLY.

THE EQUITABLE INTEREST OF PARTNERS OR STOCKHOLDERS DETERMINED UNDER EVERY VARIETY OF COMPLICATION.

LAWRENCE E. BROWN & CO.,

CERTIFIED PUBLIC ACCOUNTANTS,

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PHILADELPHIA

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INVESTIGATIONS MADE FOR PROSPECTIVE PURCHASERS OR VENDORS.

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CERTIFIED PUBLIC ACCOUNTANT

(PENNSYLVANIA)

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NEW YORK**

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PHILADELPHIA**

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Case Law and Index Edition compiled in one complete volume upon the *Plan and Method* of *HOWARD ELLIS* of the New York Bar.

THIS valuable book contains condensed reports of ALL FEDERAL, STATE and CANADIAN Banking Decisions from the foundation of the government. Any banker or attorney for a bank can quickly and easily find all the decisions in every State or any question concerning banks, notes, checks, drafts, etc. Quick reference to it when in doubt on any point may save bankers thousands of dollars.

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CASE LAW PUBLISHING COMPANY, 220 Broadway, New York City.

LYBRAND, ROSS BROS. & MONTGOMERY

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ACCOUNTANTS**

**WALL STREET EXCHANGE BUILDING
NEW YORK**

**STEPHEN GIRARD BUILDING
PHILADELPHIA**

America's Best Product

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Only First Prize
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Modernly constructed fire-proof buildings, containing securities vaults and unequalled equipment, occupied exclusively by this Company.

CHICAGO

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Equitable Building
Baltimore

Times Building
Pittsburg

Security Building
St. Louis

THE PUBLIC ESTIMATION OF A BANK IS LARGELY SHOWN IN THE RECORD OF NEW BUSINESS ACQUIRED FROM
YEAR TO YEAR. AS AN EVIDENCE OF CONSISTENT GROWTH

The Cleveland Trust Company Submits the Following

COMMENCED BUSINESS SEPTEMBER 10th, 1895

DATE	TIME	NUMBER OF DEPOSITORS	AMOUNT OF DEPOSITS
September 10, 1896	1 year	1,111	\$ 862,087.67
September 10, 1897	2 years	1,772	2,483,129.44
September 10, 1898	3 years	2,835	3,329,880.18
September 10, 1899	4 years	3,840	3,940,784.99
September 10, 1900	5 years	5,068	5,236,514.37
September 10, 1901	6 years	8,180	7,846,741.26
September 10, 1902	7 years	9,177	8,773,839.56
September 10, 1903	8 years	18,061	14,683,748.69
September 10, 1904	9 years	39,462	19,956,600.73
September 10, 1905	10 years	51,110	24,534,900.59
CAPITAL, \$1,750,000		SURPLUS, \$1,100,000	

DEPOSITORY FOR STATE OF OHIO, COUNTY OF CUYAHOGA, CITY OF CLEVELAND

Deposits from Banks, Firms, Corporations and Individuals Solicited. 4 per cent interest paid on savings deposits.
No. 1 EUCLID AVENUE, - - - - - CLEVELAND, OHIO

Municipal and Railway Bonds

(())

Public Service Corporation Bonds



Lists will be mailed to Investors upon request

W. J. HAYES & SONS

Chamber of Commerce
CLEVELAND, O.

State and Devonshire Sts.
BOSTON, MASS.

3rd NATIONAL OF ST. LOUIS BANK

CAPITAL, \$2,000,000 SURPLUS, \$1,900,000
DEPOSITS, \$27,000,000

OFFICERS

C. H. HUTTIG, President G. W. GALBREATH, Cashier J. R. COOKE, Asst. Cashier
W. B. WELLS, Vice-President D'A. P. COOKE, Asst. Cashier

E. F. SWINNEY, President. H. T. ABERNATHY, Cashier.
J. F. RICHARDS, V. President. C. G. HUTCHESON, Asst. Cashier.

FIRST NATIONAL BANK

Kansas City, Mo.

Capital, \$250,000
Surplus and Profits, \$1,000,000
Deposits, \$17,599,751

DIRECTORS

J. F. Richards J. S. Loose E. D. Fisher
B. Corrigan F. F. Harvey H. T. Abernathy
P. E. Havens E. F. Swinney J. A. Prescott
L. M. Miller C. G. Hutcheson

W. S. WOODS, President Chas. H. MOORE, Asst. Cashier
W. H. WINANTS, Vice-Pres. F. H. HEAD, Asst. Cashier
W. A. RULE, Cashier W. H. GLASKIN, Asst. Cashier
PAUL F. COVINGTON, Asst. Cashier

THE
National Bank of Commerce
KANSAS CITY, MO.
1905
1865
40
Years Old

WE HAVE

Employees - - - 240
Depositors - - - 15,000
Capital, Surplus, Profits,
Stockholders' Liability, \$ 3,700,000
Deposits, - - - \$33,000,000

DIRECTORS

J. J. Swofford, J. C. Egelhoff, D. J. Dean,
Hugh C. Ward, W. T. Kemper W. S. Woods,
H. C. Arnold, J. T. Holmes, W. H. Winants,
G. M. Cole, Jos. J. Heim, W. A. Rule,
J. H. Arnold, A. R. Meyer, Chas. H. Moore.

Mechanics-American National Bank, = ST. LOUIS

Successor to

MECHANICS NATIONAL AND AMERICAN EXCHANGE NATIONAL BANKS

REPORT OF CONDITION, AUGUST 25, 1905

RESOURCES		LIABILITIES	
Bills Discounted (time).....	\$12,412,987.90	Capital Stock.....	\$2,000,000.00
Overdrafts.....	20,329.05	Surplus and Profits.....	2,897,740.75
U. S. Bonds and Premium and Redemption Fund.....	1,967,187.50	Circulation.....	1,800,000.00
Other Stocks and Bonds.....	403,021.95	Deposits.....	
Cash.....		Individual.....	\$10,000,158.90
In Vault.....	\$5,266,288.85	Banks.....	12,312,813.70
With Banks.....	4,379,835.44		22,315,972.60
Demand Loans.....	4,364,082.66		
	14,010,206.95		
	\$28,813,733.35		\$28,813,733.35

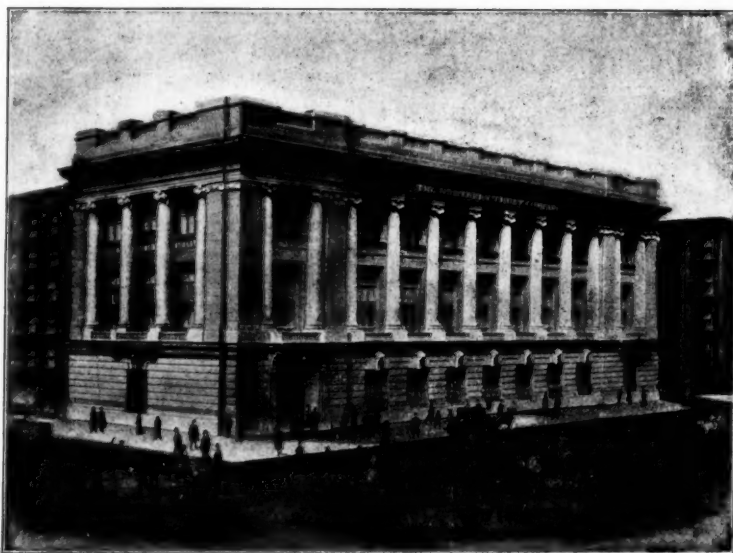
Facilities Unsurpassed

Officers

WALKER HILL, President EPHRON CATLIN, Vice-President G. M. TRUMBO, Asst't Cashier
H. P. HILLIARD, Vice-President L. A. BATTLE, Cashier C. L. ALLEN, Asst't Cashier
W. J. KINSELLA, Vice-President J. S. CALFEE, Asst't Cashier F. M. GARDNER, Asst't Cashier
J. A. BERNINGHAUS, Asst't Cashier

CAPITAL, - - \$1,500,000.00
 SURPLUS, - - \$1,000,000.00
 UNDIVIDED PROFITS, \$702,468.78

BANKING, [SAVINGS,
 FOREIGN and TRUST
 DEPARTMENTS.



BANK BUILDING OF
THE NORTHERN TRUST COMPANY
 CHICAGO
 NOW UNDER CONSTRUCTION
 NORTHWEST CORNER LA SALLE & MONROE STREETS
 190 FEET FRONT ON LA SALLE STREET; 73 FEET ON MONROE STREET
 WILL BE READY FOR OCCUPANCY, 1906

DIRECTORS

A. C. BARTLETT of Hibbard, Spencer, Bartlett & Co.	CHARLES L. HUTCHINSON Vice-Pres. Corn Exchange Nat. Bank
J. HARLEY BRADLEY of David Bradley Mfg. Company	MARTIN A. RYERSON
WILLIAM A. FULLER Retired Manufacturer	ALBERT A. SPRAGUE of Sprague, Warner & Co.
MARVIN HUGHITT President Chicago & N.-W. Ry. Co.	SOLOMON A. SMITH 2d Vice-Pres. The Northern Trust Co.
	BYRON L. SMITH President The Northern Trust Co.

OFFICERS

BYRON L. SMITH, F. L. HANKEY,	President Vice-President
SOLOMON A. SMITH, 2d V-President	ARTHUR HEURTLEY, Secretary
THOMAS C. KING, Cashier	HOWARD O. EDMONDS, Assistant Secretary
ROBERT McLEOD, Assistant Cashier	HAROLD H. ROCKWELL, Assistant Secretary
G. J. MILLER, Assistant Cashier	EDWARD C. JARVIS, Auditor

The Merchants' Loan and Trust Company OF CHICAGO

Capital and Surplus, \$6,000,000

Established 1857

GENERAL BANKING. FOREIGN EXCHANGE.
TRUSTS. BONDS. SAVINGS.
SAFE DEPOSIT VAULTS.

OFFICERS.

ORSON SMITH, President.
E. D. HULBERT, Vice-President
J. G. ORCHARD, Cashier.
F. N. WILDER, Assistant Cashier.
F. G. NELSON, Assistant Cashier.
P. C. PETERSON, Assistant Cashier,
Mgr. Foreign Exchange Dept.
LEON L. LOEHR, Sec'y Trust Dept.
JOHN E. BLUNT, JR., Manager Bond Department.

DIRECTORS.

MARSHALL FIELD.
ALBERT KEEP.
ERSKINE M. PHELPS.
ENOS M. BARTON.
CLARENCE A. BURLEY.
E. D. HULBERT.
CYRUS H. McCORMICK.
LAMBERT TREE.
MOSES J. WENTWORTH.
THIES J. LEFENS.
E. H. GARY.
CHAUNCEY KEEP.
ORSON SMITH.

REPORT OF THE CONDITION

At the Commencement of Business, August 26, 1905.

RESOURCES

Loans and Discounts,	\$27,755,644.76
Bonds and Stocks,	9,440,824.80
Due from Banks and Bankers,	\$12,229,137.64
Cash and Checks for Clearing House	7,727,134.55
	19,956,272.19
	\$57,152,741.75

LIABILITIES

Capital Stock	\$3,000,000.00
Surplus Fund,	3,000,000.00
Undivided Profits,	651,761.51
Reserved for Accrued Interest,	11,508.20
Deposits,	50,489,472.04
	\$57,152,741.75

SECOND RESERVE

Many Banks throughout the country have adopted the policy of investing a portion of their funds in high grade, readily convertible Railroad Bonds as a *second reserve* for the further protection of depositors and customers.

We offer our facilities for conservative investment to Banks, Trustees and Individuals who believe that safety of principal is the first consideration and are content with a reasonable net return.

Lists and information furnished on request.

Chicago Bank stocks bought and sold.

EVERSZ & COMPANY

BANKERS

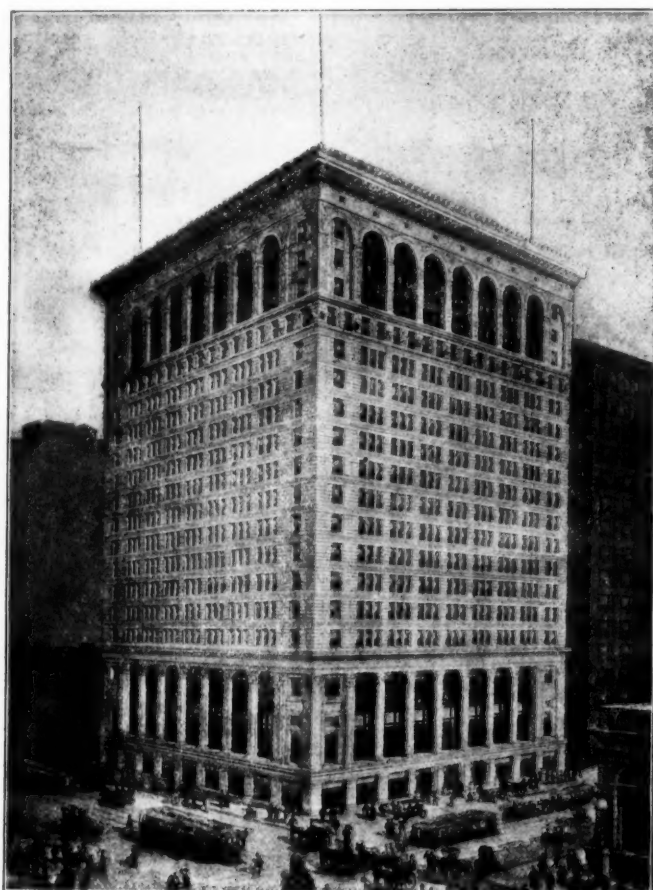
**220 LA SALLE ST.
CHICAGO**

**111 BROADWAY
NEW YORK**

The Commercial National Bank of CHICAGO

Established 1864

CAPITAL,	-	-	-	-	\$ 2,000,000.00
SURPLUS AND UNDIVIDED PROFITS,					\$ 1,700,000.00
DEPOSITS,	-	-	-	-	\$36,000,000.00



NEW HOME OF THE
COMMERCIAL NATIONAL BANK OF CHICAGO
TO BE BUILT AND OWNED BY
Commercial National Safe Deposit Co.

OFFICERS

JAMES H. ECKELS,	-	-	-	President
JOSEPH T. TALBERT,	-	-	-	Vice-President
RALPH VAN VCHTEN,	-	-	-	Second Vice-President
DAVID VERNON,	-	-	-	Third Vice-President
NATHANIEL R. LOSCH,	-	-	-	Cashier
GEORGE B. SMITH,	-	-	-	Assistant Cashier
HARVEY C. VERNON,	-	-	-	Assistant Cashier
H. ERSKINE SMITH,	-	-	-	Ass't Cashier and Auditor
WM. T. BRUCKNER,	-	-	-	Assistant Cashier

DIRECTORS

FRANKLIN MAC VEAGH	PAUL MORTON
WILLIAM J. CHALMERS	DARIUS MILLER
ROBERT T. LINCOLN	CHARLES F. SPALDING
E. H. GARY	JOSEPH T. TALBERT

JAMES H. ECKELS

FOREIGN DEPARTMENT

L. SCHURTZ,	Assistant Manager
-------------	-------------------

We want one good bank as a correspondent in every city and banking town in the West, North, Northwest, South and Southwest.

WM. H. BRINTNALL, President
EDWARD TILDEN, Vice-President

WM. A. TILDEN, Cashier
GEO. M. BENEDICT, Asst. Cashier

Drovers Deposit National Bank

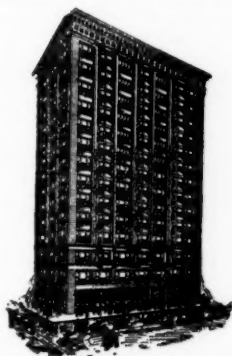
CHICAGO

CAPITAL AND SURPLUS, \$850,000

Accounts of Banks, Corporations, Firms and Individuals Solicited.

CHICAGO SAVINGS BANK

Capital, \$500,000.00



Chicago Savings Bank Building,
State and Madison Streets,
Chicago.

DIRECTORS

George H. Webster	Henry J. Evans
Daniel B. Scully	Rudolph Matz
Chas. H. ReQua	Wm. G. Hibbard, Jr.
Walter H. Wilson	John E. Jenkins
Wm. E. O'Neill	Ralph C. Otis
Joseph E. Otis	Lucius Teter

Western Trust & Savings Bank

CHICAGO

Capital One Million Dollars

Transacts a General Banking and Trust Company Business

OFFICERS

JOSEPH E. OTIS	President
WALTER H. WILSON	Vice-President
LAWRENCE NELSON	Vice-President
WILLIAM C. COOK	Cashier
H. WOLLENBERGER	Assistant to the President
W. G. WALLING	Secretary

S. B. FLYNN, President

G. F. EMERY, Ass't Cashier

G. A. RYTHER, Cashier

The National LIVE STOCK Bank OF CHICAGO, ILL.

Capital, Surplus and Profits, - - \$2,300,000

R. H. GOODELL & CO.

Transact a banking and commission business.
Deal in commercial paper. Buy and sell high
grade investment securities. Issue letters of
credit on London and Paris. Execute commis-
sion orders in all markets for Banks, Trust
Companies, Insurance Companies and Estates.

**Continental National Bank Building,
218 La Salle Street,
CHICAGO.**

BRANCH: - 15 Broad Street, - NEW YORK



Jackson Trust & Savings Bank

Nos. 15, 17 and 19 Ground Floor, Railway Exchange

CHICAGO

OFFICERS

WM. H. EAGAN, - President
DAVID DECKER, Vice-Pres't
B. F. DEMUTH, - Vice-Pres't
WM. M. LAWTON, - Cashier

DIRECTORS

Joy Morton Benj. F. DeMuth
D. H. Burnham W. R. Morrison
L. T. Dickason David Decker
Edward Decker Wm. M. Lawton
Chas. O. Austin Wm. H. Eagan

CENTRAL TRUST COMPANY OF ILLINOIS CHICAGO

CHARLES G. DAWES, - President
W. IRVING OSBORNE, - Vice-President
A. UHRLAUB, - Vice-President
WILLIAM R. DAWES, - Cashier

L. D. SKINNER, - Asst. Cashier
H. E. HALLENBECK, - Asst. Cashier
D. H. ROOD, - Asst. Cashier
MALCOLM McDOWELL, - Asst. Secretary

Capital,	-	-	-	-	\$ 2,000,000
Surplus and Undivided Profits,	-	-	-	-	\$ 900,000
Deposits,	-	-	-	-	\$10,000,000

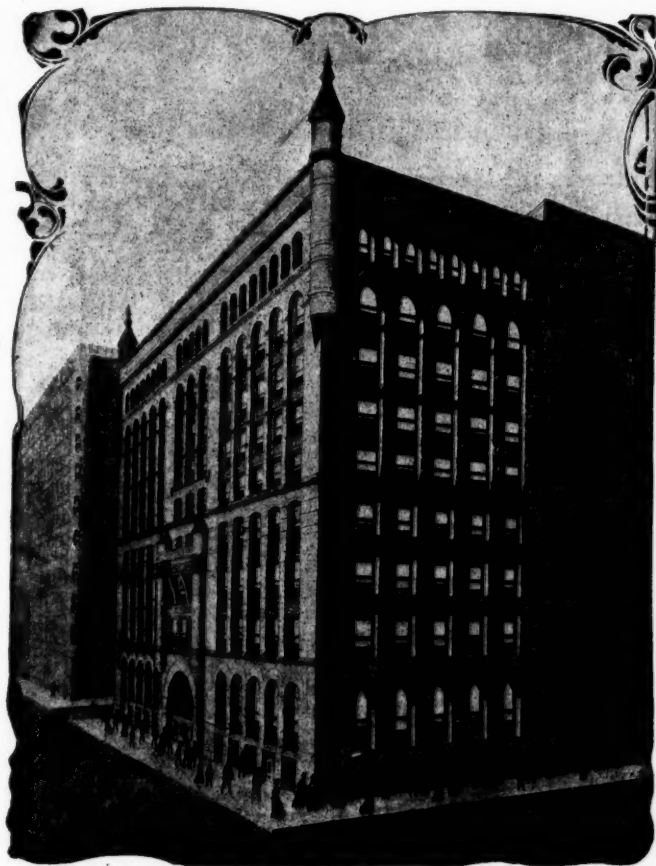
Special attention to accounts of Banks and Bankers. Unexcelled facilities for handling
business in the MIDDLE WEST. Correspondence invited.

Continental National Bank of Chicago

**CAPITAL
AND SURPLUS**
\$4,250,000

Cor. Adams and La Salle Streets

DEPOSITS
\$55,000,000



Collections
Carefully
Made
and
Promptly
Accounted
For

Accounts
of
Merchants,
Banks
and
Bankers
Solicited

CONTINENTAL NATIONAL BANK BUILDING

A General Foreign Exchange Business Transacted

Travelers' Circular Letters of Credit issued, available in all parts of the World

JOHN C. BLACK	PRESIDENT	BENJ. S. MAYER	ASSISTANT CASHIER
GEORGE M. REYNOLDS	VICE-PRESIDENT	WM. G. SCHROEDER	ASSISTANT CASHIER
N. E. BARKER	VICE-PRESIDENT	HERMAN WALDECK	ASSISTANT CASHIER
IRA P. BOWEN	ASSISTANT CASHIER	JOHN MCCARTHY	ASSISTANT CASHIER

BOARD OF DIRECTORS

JOHN C. BLACK	President	EDWARD HINES	President Edward Hines Lumber Co.
HENRY BOTSFORD	Packer	J. OGDEN ARMOUR	President of Armour & Co.
WILLIAM C. SEIPP	Capitalist	FRANK HIBBARD	of Hibbard, Spencer, Bartlett & Co., Wholesale Hardware.
ALBERT J. EARLING	Pres't Chicago, Milwaukee & St. Paul R. R.	BERTHOLD LOEWENTHAL	Capitalist
P. A. VALENTINE	Vice-President Armour & Co.	GEORGE M. REYNOLDS	Vice-President
F. WEYERHAEUSER	Lumberman and Pine Land Owner, St. Paul.	N. E. BARKER	Vice-President
A. W. THOMPSON	President Republic Iron & Steel Co.	B. A. ECKHART	President Eckhart & Swan Milling Co.
		ALBERT W. HARRIS	of N. W. Harris & Co.

Mason, Lewis & Co.

Bankers

CHICAGO
Monadnock Bldg.

PHILADELPHIA
505 Chestnut St.

BOSTON
60 Devonshire St.

Investment Securities

MUNICIPAL, RAILROAD, STREET RAILWAY, GAS, ELECTRIC
LIGHT AND POWER COMPANY BONDS.

LIST ON APPLICATION.

A. G. BECKER & CO.

(INCORPORATED.)

COMMERCIAL
PAPER :: :: :: ::

SOUTHWEST CORNER LA SALLE
AND MONROE STREETS,
CHICAGO, ILL.

American National Bank Record

No. 1 for organizing Bank *ab initio*,
No. 2 for Conversion of State to National Bank. ::

Inter-State Corporation Record

For Organizing State Bank and other Corporations.

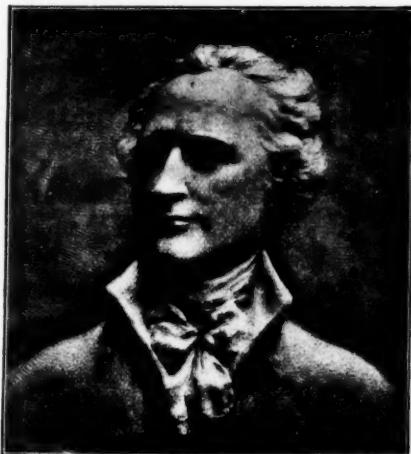
Both books contain proper organization proceedings, including Subscription List, By-Laws, Minutes First Meetings Stock Holders and Directors, Blank Minutes, Stock Register, Transfers, Dividends, Stock Holders' Ledger.

STOCK CERTIFICATES
BONDS

U. S. LOCK SEAL
BANK REGISTERS
ACCOUNT BOOKS

J. W. MIDDLETON & CO.

Publishers and Stationers,
167 Dearborn St., - Chicago.



The Hamilton National Bank OF CHICAGO

Began Business April 21, 1903

Comparative Statement of Deposits
Since the Opening Day

April 21, 1903	- - - - -	\$413,401.29
June 9, 1903	- - - - -	861,676.85
September 9, 1903	- - - - -	1,332,358.98
November 17, 1903	- - - - -	1,410,740.56
January 22, 1904	- - - - -	1,506,285.54
March 28, 1904	- - - - -	1,585,972.23
June 9, 1904	- - - - -	1,700,597.90
September 6, 1904	- - - - -	1,739,305.39
November 10, 1904	- - - - -	2,163,286.48
January 11, 1905	- - - - -	2,203,610.48
March 14, 1905	- - - - -	2,516,808.78
May 29, 1905	- - - - -	3,015,304.40
August 25, 1905	- - - - -	3,285,040.22

OFFICERS

CHARLES B. PIKE - - President
J. H. CAMERON - Vice President
HENRY MEYER - - - Cashier
GEO. H. WILSON - Ass't Cashier

The Only National Bank North of Madison Street.

DIRECTORS

WALLACE HECKMAN, Business Manager University of Chicago.
F. A. DELANO, 1st V. P., Wabash Railroad Co.
LOUIS E. LAFIN, Manager Estate of Matthew Lafin.
CHARLES L. BARTLETT, President Orange Chemical Co.
A. A. SPRAGUE, 2nd, of Sprague, Warner & Co.
T. A. SHAW, JR., of T. A. Shaw & Co.
HENRY MEYER, Cashier.
J. H. CAMERON, Vice President.
FRANK CUNEO, of Garibaldi & Cuneo.
C. J. ELDRIDGE, of Merrill & Eldredge.
CHARLES B. PIKE, President.

CHARLES HATHAWAY & CO.

DEALERS IN

COMMERCIAL PAPER,

NEW YORK, BOSTON & CHICAGO.

A. G. EDWARDS & SONS BROKERAGE CO., Agents, ST. LOUIS

BONDS

E. H. ROLLINS & SONS.

238 La Salle St., Chicago

BOSTON

DENVER

SAN FRANCISCO

The First National Bank of Chicago

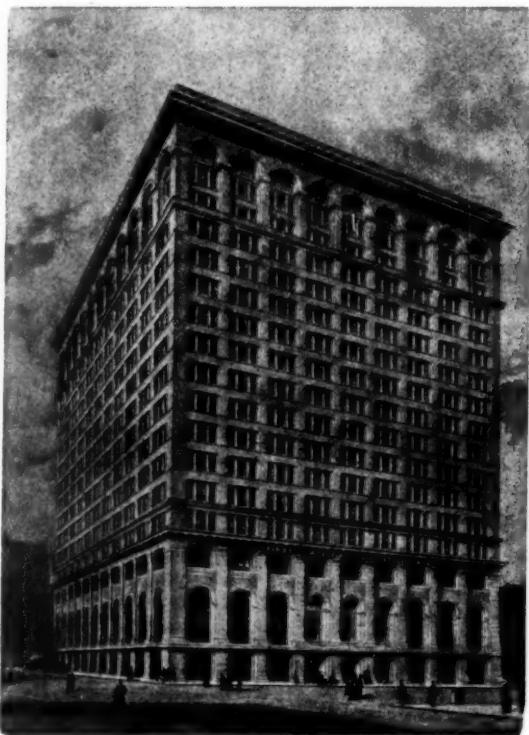
Capital and Surplus, \$13,000,000
Deposits, 96,000,000

J. B. FORGAN,
President.

D. R. FORGAN,
Vice-Pres.

F. O. WETMORE,
Cashier.

Extends to BANKS and BANKERS the unexcelled facilities afforded by ample capital, large resources, and superior banking connections at home and abroad.



Directors :

SAMUEL W. ALLERTON
GEORGE F. BAKER
JOHN H. BARKER
A. C. BARTLETT
GEO. D. BOULTON
WILLIAM L. BROWN
A. A. CARPENTER, Jr.
D. MARK CUMMINGS
CHARLES DEERING
DAVID R. FORGAN
JAMES B. FORGAN
H. H. HITCHCOCK
JAMES H. HYDE
HAROLD F. McCORMICK
NELSON MORRIS
EUGENE S. PIKE
HENRY H. PORTER, Jr.
NORMAN B. REAM
JOHN A. SPOOR
WM. J. WATSON
OTTO YOUNG

The First Trust and Savings Bank

J. B. FORGAN,
Pres.

D. R. FORGAN,
Vice-Pres.

E. K. BOISOT,
Vice-Pres. and Mgr.

Special attention to all matters of a fiduciary nature.
Choice investment securities. Interest allowed on
special accounts and savings deposits.

Capital, - \$500,000.00

Surplus, - \$500,000.00

Undivided Profits, - \$76,332.47

AMERICAN GUARANTY OF CHICAGO COMPANY

ESTABLISHED 1892

Assumes four classes of corporate obligations:

- 1st—THE PAYMENT OF THE PRINCIPAL OF BONDS.
- 2d—THE PAYMENT OF INTEREST ON BONDS.
- 3d—THE REDEMPTION OF CORPORATE STOCK.
- 4th—THE PAYMENT OF DIVIDENDS ON REDEEMABLE AND PREFERRED STOCK.

It also performs the following services for its clients, assuming the expense thereof:

FIRST—Secures the services of a reputable trust company to act as trustee for the bondholders and to certify to the genuineness of the bonds.

SECOND—Prepares the necessary deed of trust in conformity with the requirements of the trustee.

THIRD—Has the bonds and coupons engraved or lithographed, laying same before the officers of the corporation ready for execution.

FOURTH—Attends to all the details of an issue of bonds, relieving the officers of the annoyance incidental thereto.

FIFTH—Furnishes engraved or lithographed certificates of stock bearing proper endorsement of guaranty and ready for issuance.

SIXTH—Prepares and submits the form of necessary motions and resolutions to be passed by the stockholders and directors, and otherwise supervises all work in any manner affecting the legality of the issuance of the securities.

Also Assumes Payment of Insurance Premiums Issues Endowment Contracts without Insurance

FREDERICK M. STEELE, President
LEWIS W. PITCHER, Secretary

CHARLES L. FUREY, Vice-President
JAMES L. BIGELOW, Treasurer

Directors

FRED'K M. STEELE, President Standard Forgings Co.
W. F. BARNES, President, { Mfrs. Nat'l Bank, Rockford, Ill.
CHARLES L. FUREY, Vice-President of Company { W. F. & Jno. Barnes Mfg. Co.
FRANK M. HEGGIE, Lepman & Heggie, Chicago
JAMES L. BIGELOW, Treasurer of Company

DUNCAN A. HOLADAY, J. S. Brown & Bro., Denver, Colo.
LEWIS W. PITCHER, Secretary of Company
B. M. FELLOWS, { Treas. U. S. Realty & Improvement Co.
" Geo. A. Fuller Co. New York
WILLIAM GEORGE, { Pres. Old Second National Bank,
" " Illinois Bankers Association, Aurora, Ill.

GENERAL OFFICES

171 LA SALLE ST., CHICAGO.

J. B. RUSSELL & Co.

BANKERS

46 Wall Street, - - - New York

DEALERS IN

High Grade Bonds

AND

Investment Securities

SAFETY DEPOSIT VAULTS FOR USE OF CUSTOMERS.

Members { New York Stock Exchange.
Chicago Stock Exchange.

Financial Representatives of the Illinois Tunnel Company } of Chicago.
" " " " Automatic Electric Co. }

OFFICES:

NEW YORK
WILKES-BARRE, PA.
SCRANTON, PA.
CARBONDALE, PA.

CHICAGO
READING, PA.
DAYTON, OHIO
BINGHAMTON, N. Y.

THE NORTHWESTERN NATIONAL BANK

MINNEAPOLIS, MINN.

<i>Capital,</i>	- - -	<i>\$1,000,000</i>
<i>Surplus and Profits,</i>	- - -	<i>775,000</i>
<i>Deposits,</i>	- - -	<i>10,000,000</i>

WM. H. DUNWOODY, *President*

M. B. KOON, *Vice-President*

EDWARD W. DECKER, *Vice-President*

JOSEPH CHAPMAN, Jr., *Cashier*

FRANK E. HOLTON, *Ass't Cashier*

CHAS. W. FARWELL, *Ass't Cashier*

An Average of over 8 per cent. Annual Dividends paid to stockholders since organization in 1872.

Dividends paid since organization, \$2,350,000.

If you contemplate making a change in your banking connections, or think of opening a new account, we would be pleased to confer with you in person or by letter.

THE
FIRST NATIONAL BANK
DENVER, COLO.

THE OLDEST NATIONAL BANK IN COLORADO

Deposits, \$21,746,972.85
Capital, 1,000,000.00
Surplus, 1,000,000.00

A GENERAL BANKING BUSINESS TRANSACTED
ACCOUNTS OF BANKS AND BANKERS INVITED
Special Attention Given to Western Collections at Favorable Rates.

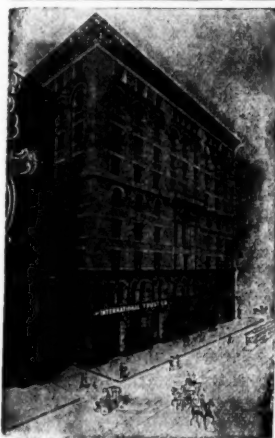
OFFICERS

D. H. MOFFAT, President. F. G. MOFFAT, Cashier.
W. S. CHEESMAN, Vice-President. W. C. THOMAS, Asst. Cashier.
THOS. KEELY, Vice-President. C. S. HAUGHWOUT, Asst. Cashier.

DIRECTORS

D. H. MOFFAT L. H. EICHOLTZ THOMAS KEELY W. C. THOMAS
W. S. CHEESMAN J. A. McCLURG F. G. MOFFAT C. S. HAUGHWOUT
GEO. F. BAKER, New York City C. M. MacNEILL, Colorado Springs

New York Correspondents: First National Bank, Fourth National Bank, National Bank of Commerce in New York, National Park Bank, and Mechanics Nat'l Bank.
Chicago Correspondents: Chicago National Bank, Merchants Loan & Trust Co., and Commercial National Bank.



The International Trust Company
DENVER, COLORADO

CAPITAL, \$250,000 SURPLUS, \$250,000

The oldest Trust Company
west of the Missouri River

Banking, Investments, Estates, and
General Trust Business.

D. H. MOFFAT, President.
S. G. GILL, Secretary.

F. B. GIBSON, Vice-Pres.
R. F. WATKINS, Ass't Secy.

CANADIAN BONDS

Securities for Insurance Company Deposit with the
Canadian Government. Trustee Investments. Municipal
Government and Public Service Corporation Bonds

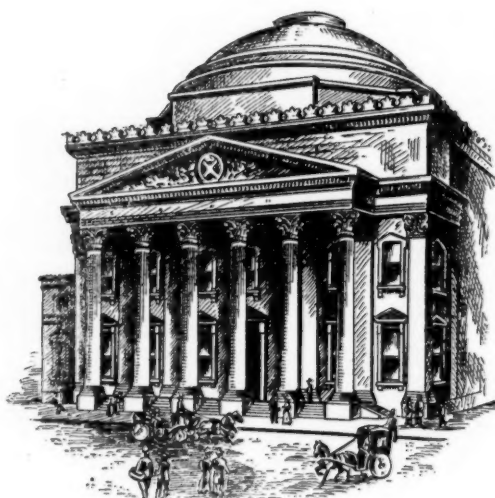
WE ESPECIALLY INVITE CORRESPONDENCE

WOOD, GUNDY & CO'Y.

CORNER KING AND YONGE STREETS, TORONTO, CANADA

Bank of Montreal

Established 1817



HEAD OFFICE, - - MONTREAL, CANADA

CAPITAL PAID UP,	-	-	\$14,400,000
REST,	-	-	10,000,000
UNDIVIDED PROFITS,	-	-	127,156

Board of Directors.

RT. HON. LORD STRATHCONA AND MOUNT ROYAL, G. C. M. G., President	
HON. SIR GEORGE A. DRUMMOND, K. C. M. G., Vice-President	
A. T. PATERSON, Esq.	R. B. ANGUS, Esq.
E. B. GREENSHIELDS, Esq.	JAMES ROSS, Esq.
SIR WILLIAM C. MACDONALD,	R. G. REID, Esq.
HON. ROBT. MACKAY.	

E. S. CLOUSTON, General Manager

The Bank of Montreal has Branches in the principal Cities and Towns of Canada, from the Atlantic to the Pacific; in St. John's and Birchy Cove, Newfoundland; in New York, Chicago and Spokane, and in London, England.

IT ISSUES COMMERCIAL AND TRAVELLERS' CREDITS AVAILABLE WITH ITS CORRESPONDENTS IN ALL PARTS OF THE WORLD, MAKES COLLECTIONS AT ALL POINTS, AND BUYS AND SELLS STERLING AND CONTINENTAL EXCHANGE AND CABLE TRANSFERS.

NEW YORK OFFICE, Nos. 59 and 61 WALL STREET
R. Y. HEBDEN, Agent

LONDON OFFICE, No. 22 ABCHURCH LANE
ALEXANDER LANG, Manager

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE—TORONTO

Paid-up Capital,	-	-	-	\$8,700,000
Reserve Fund,	-	-	-	\$3,500,000

HON. GEO. A. COX, *President*

B. E. WALKER, *General Manager*

ALEX. LAIRD, *Asst. Gen. Manager*

NEW YORK AGENCY: 16 Exchange Place

WM. GRAY and H. B. WALKER, *Agents*

BRANCHES OF THE BANK IN CANADA

BRITISH COLUMBIA AND YUKON				
Atlin	Fernie	Ladysmith	Nelson	Vancouver (3 offices)
Cranbrook	Greenwood	Nanaimo	Penticton	Victoria
Dawson	Kamloops	New Westminster	Princeton	White Horse
NORTH-WEST PROVINCES				
Brandon	Elkhorn	Lloydminster	Neepawa	Regina
Calgary	Gilbert Plains	Macleod	North Battleford	Saskatoon
Carman	Grandview	Medicine Hat	Pincher Creek	Swan River
Claresholm	High River	Melfort	Ponoka	Treherne
Dauphin	Innisfail	Moose Jaw	Portage la Prairie	Vegreville
Edmonton	Kinistino	Moosomin	Prince Albert	Winnipeg (5 offices)
Elgin	Lethbridge	Nanton	Red Deer	
ONTARIO AND QUEBEC				
Ayr	Collingwood	London	Port Perry	Toronto (8 offices)
Barrie	Dresden	Montreal	Rainy River	Toronto Junction
Belleville	Dundas	Orangeville	St. Catharines	Walkerton
Berlin	Dunnville	Ottawa	Sarnia	Walkerville
Blenheim	Fort Frances	Paris	Sault Ste. Marie	Waterloo
Brantford	Galt	Parkhill	Seaforth	Warton
Cayuga	Goderich	Parry Sound	Simcoe	Windsor
Chatham	Guelph	Peterboro'	Stratford	Woodstock
Cobalt	Hamilton	Port Arthur	Strathroy	
MARITIME PROVINCES				
Amherst	Canning	New Glasgow	St. John	Sydney
Antigonish	Halifax	Parrsboro'	Shelburne	Truro
Barrington	Lunenburg	Sackville	Springhill	Windsor
Bridgewater	Middleton			

IN THE UNITED STATES

NEW YORK PORTLAND, ORE. SAN FRANCISCO. SEATTLE, WASH. SKAGWAY, ALASKA

IN GREAT BRITAIN

LONDON, ENGLAND, 60 Lombard St., E. C.

The large number of branches of this Bank in all parts of Canada enables it to place at the disposal of its correspondents unexcelled facilities for every kind of banking business with Canada, and especially for collections.

The New York Agency and other offices of the Bank issue DRAFTS on Canada and all the principal foreign correspondents of the Bank, and grant COMMERCIAL OR TRAVELERS' LETTERS OF CREDIT for use in all parts of the world.

STERLING and other FOREIGN EXCHANGE bought and sold. Bills collected payable at any place where there is a bank or banker.

A GENERAL BANKING BUSINESS TRANSACTED

BANKERS AND CHIEF CORRESPONDENTS ABROAD

GREAT BRITAIN—The Bank of England The Bank of Scotland Lloyds Bank Limited The Union of London and Smiths Bank, Limited	SOUTH AMERICA—The British Bank of South America, Limited
FRANCE—Crédit Lyonnais, Paris Messrs. Lazard Frères & Cie, Paris	INDIA, CHINA, JAPAN AND THE PHILIPPINE ISLANDS— Chartered Bank of India, Australia and China Hongkong and Shanghai Banking Corporation
GERMANY—Deutsche Bank	SOUTH AFRICA—The Standard Bank of South Africa, Limited The Bank of Africa, Limited
HOLLAND—Disconto Maatschappij, Rotterdam	AUSTRALIA AND NEW ZEALAND— The Union Bank of Australia, Limited The Bank of Australasia The National Bank of Australasia, Limited
BELGIUM—Messrs. J. Matthieu & Fils, Brussels Banque d'Anvers, Antwerp	HONOLULU—First National Bank of Hawaii Bishop & Co.
MEXICO—Banco de Londres y Mexico	
WEST INDIES—Bank of Nova Scotia, Kingston, Jamaica Colonial Bank and Branches National Bank of Cuba and Branches	
BERMUDA—Bank of Bermuda, Limited, Hamilton	

The Sovereign Bank of Canada

Head Office, - - - Toronto
Chief Executive Office, - Montreal

TOTAL ASSETS, 30th September, 1905, \$13,368,859

D. M. STEWART
2nd Vice-Pres. and General Manager

W. GRAHAM BROWNE
Manager of Montreal Office

WITH FIFTY BRANCHES
throughout Canada we have
every facility for handling
your Canadian business

NEW YORK CORRESPONDENTS:
National Bank of Commerce
J. P. Morgan & Company
National Shoe & Leather Bank
Standard Trust Company

The Bank of British North America

ESTABLISHED IN 1836.

INCORPORATED BY ROYAL CHARTER IN 1840.

Paid-up Capital, £1,000,000 Sterling. Reserve Fund, £420,000 Sterling.

HEAD OFFICE, 5 GRACECHURCH ST., LONDON, E. C.

COURT OF DIRECTORS.

JOHN H. BRODIE, Esq.
J. J. CATER, Esq.
HENRY R. FARRER, Esq.

M. G. C. GLYN, Esq.
RICHARD H. GLYN, Esq.
EDW. ARTHUR HOARE, Esq.

HENRY J. B. KENDALL, Esq.
FREDERIC LUBBOCK, Esq.
GEO. DUNBAR WHATMAN, Esq.

A. G. WALLIS, Secretary.

W. S. GOLDBY, Manager.

Head Office in CANADA, ST. JAMES STREET, MONTREAL.

Gen. Mgr., H. STIKEMAN. Supt. of Branches, JAMES ELMSLY.
Inspector, J. ANDERSON.

AGENCIES IN THE UNITED STATES.

New York.
52 Wall Street.
W. LAWSON AND J. C. WELSH, Agents.

San Francisco.
120 Sansome Street.
H. M. J. McMICAL AND A. S. IRELAND, Agts.

BRANCHES IN CANADA.

Province of Ontario.

LONDON,
LONDON, MARKET (Sub. Br.)
BRANTFORD,
HAMILTON,
HAMILTON, BARTON ST. (Sub. Br.)
" VICTORIA AVE. " "
TORONTO,
TORONTO JUNCTION,
TORONTO STOCK YARDS,
WESTON (Sub. Br.)
MIDLAND,
MOSCAYGEON,
CAMPELLEFORD,
KINGSTON,
OTTAWA.

Province of Quebec.

MONTREAL,
" LONGUEUIL (Sub. Br.)
" ST. CATHERINE ST.
QUEBEC,
" LEVIS (Sub. Br.)

Province of Nova Scotia.

HALIFAX.

Province of New Brunswick.

ST. JOHN,
" UNION ST. (Sub. Br.)
FREDERICTON,
YUKON DISTRICT,
DAWSON.

Province of Manitoba.

WINNIPEG, BRANDON,
BELMONT, RESTON,
OAK RIVER.

Northwest Territories.

BATTLEFORD, ESTEVAN,
CALGARY, ROSTERH,
DUCK LAKE, YORKTON.

Province of British Columbia.

VICTORIA, TRAIL (Sub. Br.),
VANCOUVER, GREENWOOD,
ROSSLAND, KARLO,
ASHCROFT, HEDLEY.

Drafts on South Africa may be obtained at the Bank's Branches.
Commercial Credits issued for use in Europe, China, Japan, East and West Indies, Brazil, River Plate, Australia, etc.
Circular Notes issued in pounds Sterling, available in all parts of the world.
Agents in Canada for the Colonial Bank, London and the West Indies.

BRANCHES IN CANADA

Toronto (5 Offices).	Elmvale, Ont.	Petrolia, Ont.
Montreal (8 Offices).	Galt, "	Point St. Charles, Que.
Allandale, Ont.	Gananoque, "	Port Hope, Ont.
Barrie, "	Gaspe, Que.	Preston, "
Brantford, "	Keene, Ont.	Rossland, B. C.
Brockville, "	London, "	St. Catharines, Ont.
Cardinal, "	London, E. "	Sarnia, "
Cobourg, "	Maisonneuve, Que.	Stayner, "
Coldwater, "	Millbrook, Ont.	Sudbury, "
Collingwood, "	Oakville, "	Thornbury, "
Copper Cliff, "	Oil Springs, "	Wallaceburg, "
Creemore, "	Ormeau, "	Winnipeg, Man.
Dorchester, "	Perry Sound, "	Welland, Ont.
	Peterboro, "	

Agents in United States

NEW YORK, - - - - -	National Bank of Commerce.
CHICAGO, - - - - -	First National Bank.
BUFFALO, - - - - -	Manufacturers & Traders National Bank.

Current Accounts opened for business men on favorable terms.
Collection of commercial paper and securities given careful attention.

BANK of TORONTO

TORONTO, CANADA.

CAPITAL,	- - -	\$3,400,000
RESERVE,	- - -	3,700,000
ASSETS,	- - -	30,000,000

INCORPORATED 1855.

W. H. BEATTY, - - -	PRESIDENT
W. G. GOODERHAM, - - -	VICE-PRESIDENT
D. COULSON, - - -	GENERAL MANAGER
J. HENDERSON, - - -	ASST. GEN. MANAGER

THE DOMINION BANK

HEAD OFFICE, - TORONTO, CANADA

CAPITAL AUTHORIZED, \$4,000,000. CAPITAL PAID UP, \$3,000,000.
RESERVE FUND and UNDIVIDED PROFITS, \$3,722,000.

EDMUND B. OSLER, M.P., President.
T. G. BROUGH, General Manager. WILMOT D. MATTHEWS, Vice-President.

Branches and Agencies throughout Canada and United States.

SPECIAL FACILITIES FOR HANDLING COLLECTIONS.

REMITTANCE MADE ON DAY OF PAYMENT.

Agents in London, England, National Bank of Scotland, Ltd.
Drafts and Letters of Credit issued upon all parts of the World.

THE BANK OF OTTAWA

CAPITAL, (Authorized) \$3,000,000 CAPITAL, (Paid up) \$2,500,000
REST, - - - \$2,500,000

HEAD OFFICE, - - - OTTAWA, ONTARIO.

GEORGE BURN, General Manager. D. M. FINNIE, Assistant General Manager.

Branches throughout Canada.

Correspondence Invited.

Unexcelled facilities for the handling of collections.

THE STANDARD BANK OF CANADA

HEAD OFFICE, - TORONTO, ONT. GEO. P. SCHOLFIELD, General Manager

BRANCHES THROUGHOUT CANADA

Capital (authorized by Act of Parliament)	\$2,000,000
Capital Paid-up	1,000,000
Reserve Fund	1,000,000

DIRECTORS

W. F. COWAN, -	President
FRED. WYLD, -	Vice-President
W. F. Allen	A. J. Somerville
W. R. Johnston	W. Francis

BANKERS: NEW YORK—Importers and Traders National Bank.
MONTREAL—Molson's Bank and Imperial Bank.
LONDON, ENGLAND—National Bank of Scotland.

ALL BANKING BUSINESS PROMPTLY ATTENDED TO.
CORRESPONDENCE SOLICITED.

**The
German-American Bank
of Rochester, N. Y.**

Capital,	-	-	\$500,000
Surplus and Profits,			810,000

**Largest Capital and Surplus of any Bank
in Rochester**

YOUR ACCOUNT SOLICITED

EUGENE SATTERLEE, President
EDWARD BAUSCH, Vice-Prest.

ALBRECHT VOGT, Vice-President
WILLIAM B. FARNHAM, Asst. Cashier

**Utica Trust and Deposit Co.
UTICA, N. Y.**

Capital,	-	-	\$200,000.00
Surplus,	-	-	200,000.00
Profits,	-	-	140,000.00

Deposits, \$4,500,000.00

JAMES S. SHERMAN, President.

J. FRANCIS DAY, Secretary.

HAROLD W. STEVENS, President.

Established in 1792.

FRANK P. FURLONG, Cashier.

**HARTFORD NATIONAL BANK
HARTFORD, CONN.**

Capital, \$1,200,000

Accumulated Profits, \$800,000

By virtue of its Capital, its Accumulated Profits, and the Liability
of its Stockholders, this Bank affords greater Security to its Depositors
than any other National Bank in New England, outside Boston.

W. S. BRIDGMAN, 2d Vice-President.

W. S. ANDREWS, Assistant Cashier.

National Commercial Bank

OF ALBANY, N. Y.

Capital
\$500,000

Surplus
\$1,000,000

Deposits
\$14,000,000



OFFICERS

Robert C. Pruyn
President

Grange Sard
Vice-President

Charles H. Sabin
Vice-President

Edward J. Hussey
Cashier

Hugh N. Kirkland
Ass't Cashier

Walter W. Batchelder
Auditor

Our large list of correspondents in New York and adjoining States gives us unexcelled facilities for handling new business from banks and bankers.

NATIONAL EXCHANGE BANK

OF ALBANY, N. Y.

CAPITAL,
\$300,000
SURPLUS AND PROFITS,
\$140,000

C. E. ARGERSINGER,
President.
JOHN J. GALLOGLY,
Vice-President.
CHAS. C. BULLOCK, Jr.,
Cashier.

Collections Receive Prompt and Careful Attention.

THE UNION TRUST COMPANY

OF ALBANY, N. Y.

Capital, \$250,000 Surplus and Profits, \$351,000

Transacts a General Trust and Banking Business

Interest Allowed on Deposits

GRANGE SARD, President

W. B. VAN RENSSELAER, Vice-President

T. I. VAN ANTWERP, Vice-Prest.

JOSEPH R. SWAN, Treasurer

MAC NAUGHTON MILLER, Secretary

ARTHUR L. ANDREWS, General Counsel

The Equipment in Every Department is Thorough, Modern and Efficient.

The Merchants Bank

OF CANADA

ESTABLISHED 1864

Capital Paid-up \$6,000,000

Reserve Fund and Undivided Profits \$3,473,000

HEAD OFFICE, MONTREAL.

NEW YORK OFFICE,
63 Wall St.

T. E. MERRETT } Agents
C. J. CROOKALL }

Board of Directors:

President, SIR H. MONTAGU ALLAN. *Vice-Pres.*, JONATHAN HODGSON, Esq.
Directors, JAMES P. DAWES, Esq., THOS. LONG, Esq.
CHAS. R. HOSMER, Esq., C. F. SMITH, Esq.
HUGH A. ALLAN, Esq., C. M. HAYS, Esq.
ALEX. BARNET, Esq.

E. F. HEBDEN, Acting General Manager

The Bank has 100 BRANCHES or AGENCIES, distributed through Ontario, Quebec, Manitoba and other North-West Provinces.

Branches in Montreal:

205 ST. JAMES STREET 799 ST. CATHERINE STREET
2200 ST. CATHERINE STREET 1086 ST. LAWRENCE STREET
TOWN OF ST. LOUIS

A General Banking Business Transacted

Interest at 3 per cent. per annum allowed on Savings Bank Deposits of \$1.00 and upwards.

Interest added to Principal Half-yearly

Commercial Letters of Credit issued, available in China, Japan, and other Foreign Countries

Letters of Credit issued to Travellers, payable in all Parts of the World

Drafts sold available in any city or banking town in the United Kingdom or United States

AMERICAN NATIONAL BANK PROVIDENCE, R. I.

F. W. CARPENTER,
President
EDWIN MILNER,
Vice President
HORATIO A. HUNT,
Cashier
WALTER G. BROWN,
Assistant Cashier

Capital \$1,000,000.

COLLECTIONS AND CORRESPONDENCE
RECEIVE CAREFUL AND PROMPT
ATTENTION.

— THE —

MERCHANTS NATIONAL BANK

PROVIDENCE, R. I.

Established 1818.

CAPITAL, \$1,000,000. - - SURPLUS EARNINGS, Over \$500,000

ROYAL C. TAFT, President.

MOSES J. BARBER, Cashier.

SAMUEL R. DORRANCE, Vice-President.

FRANK A. GREENE, Assistant Cashier.

SEND YOUR PROVIDENCE COLLECTIONS TO THIS BANK. THEY WILL RECEIVE
CAREFUL ATTENTION AND BE REMITTED FOR PROMPTLY AT A LOW RATE.

UNITED STATES DEPOSITARY.

OLD COLONY TRUST COMPANY

AMES BUILDING

BOSTON

Branch Office, 52 Temple Place

STATEMENT, APRIL 29, 1905

RESOURCES

Loans	\$22,347,942.66
Massachusetts Bonds at par	1,000,000.00
British Consols	768,240.00
Railroad and Other Securities	5,466,444.37
Real Estate	1,375,000.00
Cash	
In Office, \$1,719,632.85	
In Banks, 8,315,916.08	10,035,548.93
	<u>\$40,993,175.96</u>

LIABILITIES

Capital Stock	\$1,500,000.00
Surplus Fund	5,000,000.00
Earnings Undivided . . .	348,400.39
Deposits	34,144,775.57
	<u>\$40,993,175.96</u>

OFFICERS

GORDON ABBOTT, President.
 FRANCIS R. HART, Vice-President. JAMES A. PARKER, Vice-President.
 PIERRE JAY, Vice-President.

BANKING DEPARTMENT

F. G. POUSLAND, Treasurer. E. A. PHIPPEN, Cashier.
 F. M. LAMSON, Assistant Cashier.
 In charge of Temple Place Office.

BOND AND REORGANIZATION DEPARTMENT

E. ELMER FOYE, Secretary.

TRUST AND TRANSFER DEPARTMENT

JULIUS R. WAKEFIELD, Trust Officer.

SAFE DEPOSIT VAULTS

JOSEPH G. STEARNS, Assistant Secretary.

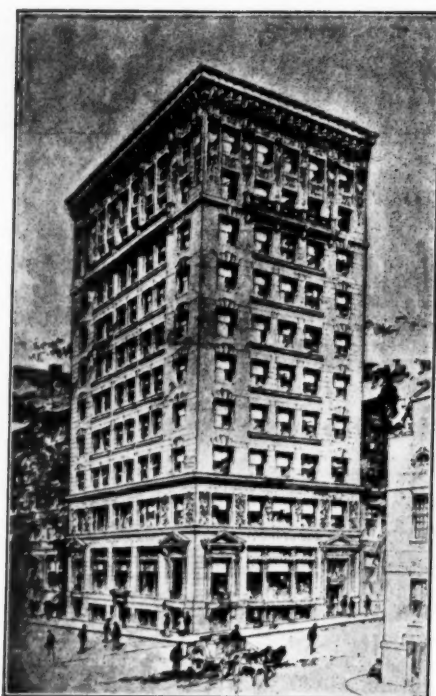
BOARD OF DIRECTORS

T. JEFFERSON COOLIDGE, Jr., Chairman.

GORDON ABBOTT
 OLIVER AMES
 C. W. AMORY
 CHARLES F. AYER
 SAMUEL CARR
 B. P. CHENEY
 T. JEFFERSON COOLIDGE
 CHARLES E. COTTING

PHILIP DEXTER
 EBEN S. DRAPER
 GEORGE F. FABYAN
 FREDERICK P. FISH
 REGINALD FOSTER
 GEORGE P. GARDNER
 HENRY S. HOWE
 WALTER HUNNEWELL

THOMAS L. LIVERMORE
 GEORGE V. L. MEYER
 LAURENCE MINOT
 RICHARD OLNEY
 NATHANIEL THAYER
 LUCIUS TUTTLE
 STEPHEN M. WELD



ESTABROOK & CO.,

BANKERS

Investment Securities

MEMBERS NEW YORK AND BOSTON STOCK
EXCHANGES.

15 State Street, Boston.
24 Broad Street, New York.

Webster & Atlas National Bank OF BOSTON.

Capital,	-	-	-	-	\$1,000,000.
Surplus and Profits,	-	-	-	-	700,000.

JOHN P. LYMAN, President.
JOSEPH L. FOSTER, Cashier.

JOSEPH S. BIGELOW, Vice-President
ROBERT E. HILL, Assistant Cashier.

DIRECTORS.

WALTER HUNNEWELL,
B. RODMAN WELD,
JOSEPH S. BIGELOW,
WILLIAM L. ALLEN,
JOHN P. LYMAN,

WILLIAM J. LADD,
THOMAS MOTLEY,
ALFRED BOWDITCH,
CHARLES B. BARNES, Jr.,

JOHN W. FARWELL,
JOHN REED,
FRANCIS A. PETERS,
ANDREW G. WEBSTER,
GEORGE E. BULLARD.

TUCKER, ANTHONY & Co.

BANKERS AND BROKERS

53 STATE STREET,

BOSTON, MASS.

MEMBERS BOSTON AND NEW YORK
STOCK EXCHANGES.

AMERICAN LOAN AND TRUST COMPANY

BOSTON, MASS.

Capital
\$1,000,000

DIRECTORS

C. F. ADAMS, 2d
F. LOTHROP AMES
HOBART AMES
EDWIN F. ATKINS
CHARLES S. BIRD
GEORGE W. BROWN
SAMUEL CARR
GORDON DEXTER
EUGENE N. FOSS
ELMER P. HOWE

OFFICERS

N. W. JORDAN, President
E. A. COFFIN, Treasurer
C. H. BOWEN, Secretary
G.W. AURYANSEN, Asst. Sec.

**Acts as Trustee,
Registrar and
Transfer Agent.**

Surplus Earnings
\$1,600,000

DIRECTORS

DAVID P. KIMBALL
N. W. JORDAN
JOHN LAWRENCE
S. E. PEABODY
FRANCIS PEABODY, Jr.
ALBERT A. POPE
N. W. RICE
ROYAL ROBBINS
PHILIP L. SALTONSTALL
CHARLES W. WHITTIER

TRANSACTS A GENERAL BANKING AND TRUST COMPANY BUSINESS.

E. H. GAY & Co.

BANKERS

Municipal, Railroad, Street
Railway, Water Power, Gas
and Electric Light Bonds
Bought and Sold.

We solicit offerings of
Bonds on Railroads which
are guaranteed by well-
known lines.

25 Congress Street	-	-	Boston
1 Nassau Street	-	-	New York
421 Chestnut Street	-	-	Philadelphia
157 St. James Street	-	-	Montreal

INVESTMENT SECURITIES

H. W. POOR & CO.

33 Wall St., New York
52 Devonshire St., Boston

LISTS UPON APPLICATION

Boston Safe Deposit & Trust Co.

87 Milk Street, BOSTON

CAPITAL,	-	-	\$1,000,000
SURPLUS,	-	-	\$2,000,000

Transacts a General Trust and Banking Business

OFFICERS

CHARLES E. ROGERSON,	-	President	WM. L. WHITNEY,	-	-	Ass't Treasurer
JAMES LONGLEY,	-	Vice-President	HENRY A. FENN,	-	-	Secretary and Mgr. Safe Deposit Department
WILLIAM C. WILLIAMS,	-	Vice-President	H. D. HEATHFIELD,	-	-	Ass't Secretary
GEORGE E. GOODSPEED,	-	Treasurer	F. J. BURRAGE,	-	-	Ass't Secretary

Safe Deposit Vaults with Safes for rent at from \$10 to \$150 per year

BAKER, AYLING & COMPANY

50 CONGRESS STREET, BOSTON

STEAM RAILROAD }
STREET RAILWAY } **BONDS**

CIRCULARS ON APPLICATION

**Second
Edition...**

International Exchange

ITS TERMS, PARTS, OPERATIONS AND SCOPE A PRACTICAL WORK ON

The Foreign Banking Department AND ITS Administration by American Bankers

Also of Especial Interest to Brokers, Merchants, Exporters, Importers,
Accountants, Teachers, Educational Institutions, etc., etc.

By **ANTHONY W. MARGRAFF**, Manager Foreign Exchange Department American Express Co., Chicago; Formerly
Manager of the Foreign Department of the Nat'l Bank of the Republic of Chicago.

This book is a practical treatise on International financial and commercial transactions, *having a direct and important bearing on all business interests in this country* and is instructive and interesting to *every* Banker and Merchant, whether, or not, actually engaged in foreign business relations.

Head Offices of the Bank of Nova Scotia, Bank of Montreal, and Dominion Bank, have recently furnished their Branch Agencies with copies of "MARGRAFF'S INTERNATIONAL EXCHANGE." *No better endorsement* as to the merits and practical worth of the book could be secured.

Delivered to any address
(expressage prepaid)
on receipt of \$5.00.

Address **INTERNATIONAL EXCHANGE**, Room 124 The National Life Building,
CHICAGO, ILL.

The National Discount Company, LIMITED.

35 Cornhill, London, England

Cable Address, "NATDIS, LONDON."

Subscribed Capital, \$21,166,625

PAID-UP CAPITAL,	-	-	-	\$4,233,325
RESERVE FUND,	-	-	-	2,000,000

In 169,333 Shares of \$125 each, of which \$25 have been paid up. Number of Proprietors, 3,306.

DIRECTORS

LAWRENCE EDMANN CHALMERS	EDMUND THEODORE DOXAT, Chairman,	FREDERICK LEVERTON HARRIS, M. P.,
FRIEDRICH C. K. FLEISCHMANN		SIGISMUND FERDINAND MENDEL,
FREDERICK WILLIAM GREEN,		JOHN FRANCIS OGILVY,
W. MURRAY GUTHRIE, M. P.,		CHARLES DAVID SELIGMAN,

SUB-MGR.: WATKIN W. WILLIAMS.	MANAGER: PHILIP HAROLD WADE.	ASS'T SUB-MGR.: FRANCIS GOLDSCHMIDT.	SECV.: CHARLES WOOLLEY.
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AUDITORS:

JOSEPH GURNEY FOWLER, F. C. A. (Price, Waterhouse & Co.)
FRANCIS WILLIAM PIXLEY, F. C. A. (Jackson, Pixley, Browning, Husey & Co.)

BANKERS:

BANK OF ENGLAND.	THE UNION OF LONDON AND SMITHS BANK, LIMITED.
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BALANCE SHEET, 30th JUNE, 1905.

Dr.	\$5=£1 Sterling.	Gr.
To subscribed capital.....\$21,166,625		
viz., 169,333 shares of		
\$125 each.		
" Capital paid up, viz., \$25		
per share.....	\$4,233,325	
" Reserve fund.....	2,000,000	
" Deposits and sundry		
balances.....	52,973,471	
" Bills re-discounted.....	15,271,450	
" Rebate.....	236,050	
" Amount at credit of		
profit and loss account	269,040	
	<u>\$74,983,336</u>	
		By Cash at Bankers.....\$697,049
		" Securities—British and
		Indian Govern't, and other
		Trustee Securities, in-
		cluding City of London
		Corporation Bonds.....\$10,328,404
		" Other Securities.....1,207,021
		" Loans at call, short and
		fixed dates.....
		10,066,399
		" Bills discounted, etc.....
		52,018,383
		" Sundry balances and In-
		terest due on investments
		and loans.....
		113,080
		" Freehold premises.....
		553,000
		<u>\$74,983,336</u>

Dr. Profit and Loss Account for the Half-Year Ending 30th June, 1905. Gr

Dr.	\$5=£1 Sterling.	Gr
To Current expenses, includ-		By Balance brought forward from 31st
ing salaries, stationery,		December, 1904.....\$55,744
Income Tax and other		" Gross profits during the half year.
charges.....	\$50,222	512,818
" Directors' and auditors'		
remuneration.....	13,250	
" Rebate of interest on bills		
not due, carried to new		
account.....	236,050	
" Six months' dividend at the		
rate of ten per cent. per		
annum, free of Income		
Tax.....	\$211,666	
" Balance carried forward		
to next account.....	57,374	
	<u>269,040</u>	
	<u>\$568,562</u>	
		<u>\$568,562</u>

In accordance with the provisions of the Companies Act, 1900, we certify that all our requirements as Auditors have been complied with.

We have examined the Securities representing investments of the Company, those held against Loans at call, short and fixed dates, and all Bills discounted in hand. We have also proved the Cash Balances, and verified the Securities and Bills in the hands of depositors. The foregoing Accounts agree with the books, and we are of opinion that the balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as shown by the books of the Company, except that it does not state the amount of Investments and Bills placed as security against Deposits.

J. GURNEY FOWLER, F. C. A.,	} Auditors
(Price, Waterhouse & Co.)	
FRANCIS W. PIXLEY, F. C. A.,	
(Jackson, Pixley, Browning, Husey & Co.)	

35 CORNHILL, 5th July, 1905.

Approved Bank and Mercantile Bills Discounted. Loans granted upon approved Negotiable Securities. Money received on Deposit, at rates advertised from time to time, and for fixed periods upon specially agreed terms.

The Union Discount Company OF LONDON, LIMITED.

39, Cornhill, London, E.C.

Cable Address,
"UDISCO, LONDON."

*Capital Subscribed, \$7,500,000, in 150,000 Shares of \$50 Each,
on which \$25 have been paid.*

PAID UP, \$3,750,000.

RESERVE FUND, \$2,100,000.

NUMBER OF SHAREHOLDERS, 2,721.

DIRECTORS.

ROBERT BALFOUR.
WILLIAM THOMAS BRAND.
SIR WILLIAM DUNN, BART., M.P.

ARTHUR JOHN FRASER
SIR THOMAS JACKSON, BART.
ROBERT PETER LAURIE, C.B.

HENRY OPPENHEIM.

MANAGER—CHRISTOPHER R. NUGENT.

ASSISTANTS TO MANAGER—E. C. STEVENSON AND F. NEVILL JACKSON.
SECRETARY—E. MARCH.

DR.	Balance Sheet, 30th June, 1905.	CR.
To Capital Account, 150,000 Shares of \$50... \$7,500,000.00		By Cash at Bankers..... \$2,501,084.94
Amount paid, \$25 per share..... \$3,750,000.00		" Consols, Exchequer Bonds, Indian Government and other Securities.. 14,436,669.27
Reserve Fund 2,100,000.00		" Loans on Sundry Securities at call and short dates..... 10,153,657.94
Provident Reserve Fund 178,294.12		" Bills Discounted..... 70,880,182.79
" Loans and Deposits, including provision for contingencies..... 74,796,517.15		" Sundry Debit Balances..... 35,413.19
" Bills Re-discounted.... 16,647,491.23		" Freehold and Leasehold Premises, Fittings and Furniture..... 338,610.43
" Rebate on Bills Discounted 576,911.50		
Balance at Credit of Profit and Loss for Appropriation 496,404.56		
	1,073,316.06	
	<u>\$98,545,618.56</u>	<u>\$98,545,618.56</u>

DR. Profit and Loss Account for the Six Months ending 30th June, 1905. CR.

To Current Expenses, including Salaries, Rent and Taxes, Directors' Fees, and all other charges..... \$97,399.31		By Balance brought forward from 31st December, 1904 \$251,225.19
" Rebate of interest on Bills discounted not due, carried forward to New Account 576,911.50		" Gross Profits for the half-year, after making provision for bad and doubtful debts 919,490.18
" Provident Reserve Fund \$25,000.00		
" Dividend for the half-year at the rate of 11 per cent. per annum, free of Income Tax.... 206,250.00		
" Balance carried forward to next Account 265,154.56		
	496,404.56	
	<u>\$1,170,715.37</u>	<u>\$1,170,715.37</u>

E. MARCH,
Secretary.

WILLIAM DUNN,
THOMAS JACKSON, } Directors.

Balance brought down.. \$265,154.56

In accordance with the provisions of the Companies' Act, 1900, we certify that all our requirements, as Auditors, have been complied with. We have examined the Securities representing Investments of the Company, those held against Loans made by the Company at call, short and fixed dates, and all bills discounted in hand. We have also verified the Cash Balances, and vouched the Securities and Bills given as collateral security for Loans, and we have now to report to the Shareholders that the foregoing Accounts agree with the Books, and in our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as shown by the books of the Company, except that, whilst it shows the amount of the Bills discounted which have been re-discounted, it does not show the amount of the Bills and other Securities given out against Loans shown on the debit side of the Balance Sheet.

A. YOUNG
(TURQUAND, YOUNGS & Co.), } Auditors.
THOMAS A. WELTON
(WELTON, JONES & Co.), }

LONDON, E. C.,
10th July, 1905.

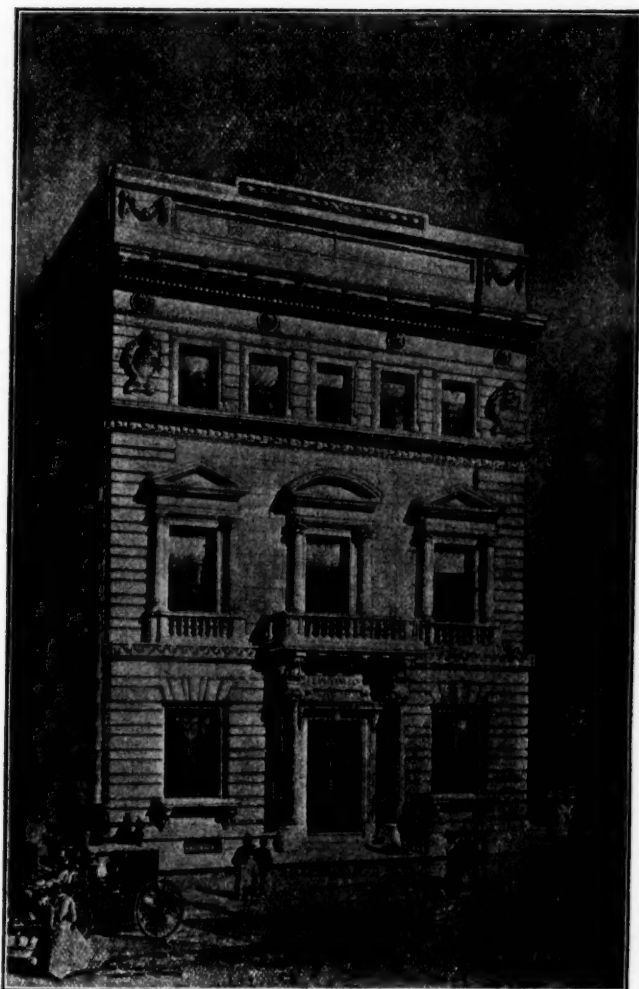
The Company discounts approved bank and mercantile acceptances, receives money on deposit at rates advertised from time to time, and grants loans on approved negotiable securities.

\$5 = £1.

SPEYER & CO.


BANKERS

24-26 Pine Street - - - NEW YORK



AGENTS FOR

Messrs. SPEYER BROTHERS
London

Mr. LAZARD SPEYER-ELLISSEN
Frankfort  main

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CORNER
WALL AND BROAD STREETS
NEW YORK

FOREIGN EXCHANGE
TRAVELLERS AND COMMERCIAL LETTERS OF CREDIT
INVESTMENT SECURITIES

AGENTS AND ATTORNEYS
FOR
BARING BROTHERS & CO., LTD.
LONDON

Millett, Roe & Hagen,
BANKERS.

Dealers in
HIGH-GRADE BONDS.

Members
New York Stock Exchange.

3 Broad Street, NEW YORK.

INDEPENDENT SUPERVISION

IS THE WATCHWORD OF TODAY.

The value of independent bank and trust company examinations is recognized by depositors, directors and officials.

We are organized to make such examinations in the most thorough and efficient manner.

Write to the oldest and foremost corporation engaged in accounting for particulars.

Address,

DEPARTMENT OF BANK EXAMINING,

The Audit Company of New York

43 Cedar Street.

Chicago Office,

New York Life Building

Philadelphia Office,

Arcade Building

INCORPORATED 1853.

United States Trust Company of New York

45 and 47 WALL STREET.

CAPITAL, - - - \$2,000,000.00

SURPLUS AND UNDIVIDED PROFITS, \$12,723,363.31

LYMAN J. GAGE, President.

D. WILLIS JAMES, Vice-President.

JAMES S. CLARK, Second Vice-President.

HENRY L. THORNELL, Secretary.

LOUIS G. HAMPTON, Assistant Secretary.

JOHN A. STEWART, Chairman of the Board of Trustees.

ESTABLISHED 1829

MERCHANTS' EXCHANGE NATIONAL BANK

Of the City of New York

257 BROADWAY

PHINEAS C. LOUNSBURY, President.

ALLEN S. APGAR, Vice-President and Cashier.

EDWARD V. GAMBIER, Assistant Cashier.

EDWARD K. CHERRILL, Assistant Cashier.

Accounts of Banks, Bankers, Merchants and Manufacturers Solicited.

Fidelity Trust Company

NEWARK, N. J.

Capital, Surplus and Undivided Profits, over \$9,000,000

ALLOWS INTEREST on daily balances of \$1,000 or over, subject to check at sight, and transacts a general banking business.

AUTHORIZED BY LAW to act as Executor, Trustee, Administrator, Guardian, Assignee, Receiver, and in all fiduciary capacities, both under court and personal appointment.

TAKES ENTIRE CHARGE of Real and Personal Estates.

RENTS SAFES and stores valuables in well-guarded Burglar and Fireproof Vaults.

GUARANTEES TITLES of Real Estate throughout New Jersey.

ACTS AS TRUSTEE under mortgage, Registrar and Transfer Agent of Stocks and Bonds of Corporations.

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52 William Street, New York.

ORDERS EXECUTED FOR ALL INVESTMENT SECURITIES. ACT AS AGENTS OF CORPORATIONS AND NEGOTIATE AND ISSUE LOANS.

Bills of Exchange, Telegraphic Transfers, Letters of Credit

ON

Union of London & Smiths Bank, Limited, London,
Messrs. Mallet Freres & Cie., Paris,
Banco Nacional de Mexico,

AND ITS BRANCHES.

Agents for the Bank of Australasia, the British Guiana Bank, Demerara, etc., etc.

TRAVELERS' LETTERS OF CREDIT

AVAILABLE THROUGHOUT THE UNITED STATES.

BANKERS TRUST COMPANY

7 WALL STREET, NEW YORK.

Capital \$1,000,000

Surplus \$500,000

Opened for Business March 30, 1903.

Undivided Profits Sept. 5, 1905, \$ 275,978.

Deposits September 5, 1905, - 25,400,000.

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York.

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Pres. First Nat. Bank, Jersey City.

*Acts as Executor, Administrator and Guardian; Assignee and Receiver; Registrar, Transfer and Fiscal Agent
and as Trustee for individuals and corporations.*

ALLOWS INTEREST UPON DEPOSITS.

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B. STRONG, JR.,
Secretary.

J. F. THOMPSON,
Vice-President.

H. W. DONOVAN,
Asst. Treasurer.

T. W. LAMONT,
2nd Vice-President.

D. E. POMEROY,
Treasurer.

F. N. B. CLOSE,
Asst. Trust Officer.

Chartered 1866.

Brooklyn Trust Company,

Main Office: 177-179 Montague St.
Branch: Bedford Avenue and Fulton St.

Capital, - \$1,000,000.00

Undivided Profits, 2,127,811.90

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Chairman Ex. Com.
Theo. F. Miller, President
Samuel W. Boocock, Vice-President
F. C. Colton, Vice-President
S. W. Husted, Secretary
F. J. W. Diller, Asst. Secretary

Franklin Trust Company

NEW YORK CITY:
140 Broadway, Manhattan
164-166 Montague St., Brooklyn

Deposits Received, Checks Honored and
Any Business Transacted at Either Office

Capital, Surplus and Undivided Profits, over - \$2,800,000

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WM. H. WALLACE,	- - - - - Vice-President	GEO. H. SOUTHARD, JR.,	- - - - - Assistant Secretary
GATES D. FAHNESTOCK,	- - - - - 2d Vice-President	FREDERICK W. RICHT,	- - - - - Assistant Secretary

WILLIAM I. FROTHINGHAM, Trust Officer

The Farmers' Loan & Trust Co.

CHARTERED 1822.

NOS. 16, 18, 20 AND 22 WILLIAM STREET,
NEW YORK.

CAPITAL, - - - \$1,000,000 00
UNDIVIDED PROFITS, 7,400,226 02

The Company is a legal depositary for moneys paid into Court, and is authorized to act as Executor Administrator, Trustee, Guardian, Receiver, and in all other Fiduciary capacities.

Acts as Trustee under Mortgages made by Railroad and other Corporations, and as Transfer Agent and Registrar of Stocks and Bonds.

Receives deposits upon Certificates of Deposit, or subject to check, and allows interest on daily balances.

Manages Real Estate and lends money on bond and mortgage.

Acts as Agent for the transaction of any approved financial business.

EDWIN S. MARSTON, President.

THOMAS J. BARNETT, 2d Vice-President.

SAMUEL SLOAN, JR., Secretary.

AUGUSTUS V. HEELY, Asst. Secy.

WILLIAM B. CARDOZO, Asst. Secy.

CORNELIUS R. AGNEW, Asst. Secy

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ARCHIBALD D. RUSSELL,
P. A. VALENTINE

STATEMENT.

Quarterly report at the close of business on the fifth day of September, 1905.

RESOURCES.

United States Bonds, at market value,	-	\$3,922,457.50
Bonds of the City of New York, at market value,	- - -	2,375,015 00
Railroad Bonds and other Bonds and Stocks, at market value,	- - -	17,847,086.02
Real Estate,	- - - - -	1,450,000.00
Bonds and Mortgages,	- - - - -	1,468,700.00
Loans,	- - - - -	62,992,113.82
Cash on hand, and in Bank	- - - - -	10,921,264.53
Accrued interest, Rents, etc.,	- - - - -	413,730.74

\$101,390,367.61

LIABILITIES.

Capital Stock,	- - - - -	\$1,000,000.00
Undivided Profits,	- - - - -	7,400,226.02
Deposits,	- - - - -	92,268,767.36
Interest accrued. Taxes, and other Liabilities,	- - - - -	721,374.23

\$101,390,367.61

BANKERS' AND TRUST SECTION

OF THE

COMMERCIAL & FINANCIAL CHRONICLE.

Entered according to Act of Congress in the year 1905 by WILLIAM B. DANA COMPANY, in the office of the Librarian of Congress, Washington, D. C.

VOL. 81.

NEW YORK, OCTOBER 21, 1905.

NO. 2104.

The Chronicle.

THE COMMERCIAL AND FINANCIAL CHRONICLE is a weekly newspaper of 72 to 88 pages, published in time for the earliest mail every Saturday morning, with the latest news by telegraph and cable from its own correspondents relating to the various matters within its scope.

THE CHRONICLE comprises a number of added Sections, issued periodically, and which form exceedingly valuable adjuncts of the weekly issues.

THE RAILWAY AND INDUSTRIAL SECTION, issued quarterly, is furnished *without extra charge* to every subscriber of the CHRONICLE.

THE STATE AND CITY SECTION, issued semi-annually, is also furnished *without extra charge* to every subscriber of the CHRONICLE.

THE QUOTATION SECTION, issued monthly, is likewise furnished *without extra charge* to every subscriber of the CHRONICLE.

THE STREET RAILWAY SECTION, issued three times a year, is also furnished *without extra charge* to every annual subscriber of the COMMERCIAL AND FINANCIAL CHRONICLE.

Besides these Sections, others are published from time to time like the present BANKERS' AND TRUST SECTION.

TERMS for the CHRONICLE, including *all* the Sections, are Ten Dollars within the United States and Thirteen Dollars (which includes postage) in Europe.

WILLIAM B. DANA COMPANY, PUBLISHERS,
PINE ST., CORNER PEARL ST., NEW YORK.

INDEX TO ADVERTISEMENTS.

A complete index to the advertisements appearing in the present issue of the Bankers' and Trust Section will be found on pages 79 and 80.

THE CONVENTION AND THE CURRENCY.

The Bankers' Conventions have in the past served a highly useful purpose in keeping constantly before the public mind questions of reform in our currency methods, which, except for such periodical reminders, might be forgotten in the absorption of public interest in our present prosperous trade. It is a maxim of financial history that reforms which are pressed upon the people and the Government in times of depression, when the evil influence of defects in such a system is most grievously felt, will often be overlooked and postponed at prosperous times. The unfortunate result of such a policy is that the reform which might have been easily carried out in the more prosperous days cannot be so conven-

tly effected in the time of reaction; consequently it is rather apt never to be done at all, save under the pressure of some overwhelming disaster. It would be needless to go into particulars on this point; perhaps it will be enough to point out the ease with which a reform requiring accumulation of additional reserves of gold could be adopted at a time like this as compared with the difficulties which would beset the same undertaking in a period such as 1894.

Mr. Pugsley, Acting Chairman of the Currency Committee of the American Bankers' Association, spoke on this matter to the Convention last week. "It would seem," he said, "the part of wisdom to retire the legal tenders when the country is prosperous rather than in the throes of a panic, when the danger of such a currency and the necessity for its retirement are, possibly, more apparent." Following out this line of argument, Mr. Pugsley indicated concisely and forcibly the reforms which the American bankers ought to urge more vigorously than ever now at a time when there is danger that the people at large may become indifferent to the whole question. Mr. Pugsley proposed four distinct recommendations, in all of which we heartily concur. The first has to do, as was shown by the citation from his speech which we have just made, with retirement of the legal tenders. His argument consisted in bringing back the true conception as to the nature of this currency as a demand obligation of the Government. No popular error is more persistent or more insidious than the belief that the Government note is something different from a promise to pay, on which payment may be demanded at an inconvenient moment. All the bitter experience of 1893 and 1894, when the Treasury's gold reserve was rapidly drained through redemption of legal tender notes in gold which was needed for export purposes and which could be obtained from no other quarter, has done comparatively little to dislodge from the popular mind this misconception of the nature of a Government floating debt. Mr. Pugsley recommends that the legal tenders still out-

standing should be redeemed at the earliest possible moment through issue of the long-time bond, bearing a low rate of interest, which could be used either for bank circulation or as security for public deposits and the issue of which, therefore, though involving the extinction of the legal tenders, would in no respect involve the contraction of the currency.

The second recommendation is that the silver certificates and dollars shall be made distinctly redeemable in gold. Reluctance to agree on such a provision is the last sign that is left of the silver heresy in this country, but it is sufficiently obstructive to open the possibility of awkward consequences at some future time of stress. If the silver currency were to be made thus redeemable, Mr. Pugsley holds that the gold reserve for redemption purposes should be increased from its present minimum of \$150,000,000.

Taking up the question of deposit of Government funds in banks, he recommends, in behalf of the Committee, that such deposits should be secured either by United States bonds, as at present, or by other securities approved by the Secretary of the Treasury, and he holds that no reserve is necessary against such deposits. In this he follows the somewhat arbitrary action of Secretary Shaw in September, 1902, of which action we have frequently remarked that it was open to criticism, not on its merits as an economic move, but because it was done outside the existing provisions of the law. Mr. Pugsley's suggestion may be amplified by reference to the report of the New York Chamber of Commerce on the same question during 1902, in which specific recommendations as to the machinery of such a change were made. The report to the bankers follows the recommendations of the Chamber as regards allowance of interest on such deposits to the Government by the banks. The recommendation in this regard, however, is cautiously made, the report merely proposing such allowance "if practicable." It will be remembered that the Chamber of Commerce's proposition, and the Aldrich bill, which undertook to embody its suggestion in law, encountered bitter opposition from interior banks who believed that the allowance of interest would not make maintenance of such deposits feasible. This is undoubtedly a question which will call for wider discussion.

Repeal of the present limitation of \$3,000,000 per month on retirement of the bank note circulation is again proposed, as it was in the Aldrich bill, and has repeatedly been done on other occasions. We have pointed out on many previous occasions the absurdity into which the existing statute leads our currency. Last year, for instance, at a time when slackening of trade had filled all the channels of circulation with idle currency, and when the New York bank reserve had reached an almost unprecedented height, and when, therefore, there was less need than in

many years for increase in bank note circulation, that circulation actually increased \$39,000,000 in twelve months. It was, in fact, impossible for the larger banks to reduce their outstanding notes in any reasonable ratio to the curtailment of trade. Mr. Pugsley proposes that the limit of monthly contraction should be expanded to six or nine million per month.

The final suggestion embodied in the Committee's report is that of an emergency currency, unsecured by United States bonds, but heavily taxed to insure its retirement when the conditions which made it necessary have passed away. This calls for more cautious consideration. This is the practice followed by the Imperial Bank of Germany, and in that market it has undoubtedly worked well. Whether it would work equally well in this country, especially when the immediate need at a panic crisis is for lawful reserve money rather than increased hand to hand circulation, may be an open question. We consider it, however, altogether a salutary sign of the times that the responsible committee of our associated bankers have not allowed the fact of great prosperity in spite of our present defective currency system to blind them to the need for reform. The note of warning in this regard was sounded by almost every speaker at last week's convention and in a way, we think, which will impress on the public the necessity of action. The trouble in the past has been that too many plans competed for endorsement whenever need of legislation became really urgent. Here is where lies the real value of a concrete, well-matured plan whose discussion by practical experts, even in advance of legislative committee hearings, will clear the air of popular discussion.

FEATURES OF THE CONVENTION'S WORK.

Like everything else in this vast country, the American Bankers' Association in membership and the capital represented by the same is assuming dimensions which but a few years ago could hardly have been deemed within the bounds of early probability. It is true that some of the more recent growth has followed from the extension of the field of membership through the admission of new classes of institutions—first the Trust Companies, and more lately the Savings Banks—but the fact remains that the Association to-day is of larger proportions than ever before in its history. We may go further and say that in magnitude it is really of imposing dimensions.

To state that there is no other bankers' guild like it in the world savors of the commonplace. Figures descriptive of its size will convey a better idea of its unique position in that regard. In the United States we have become accustomed to large totals, and aggregates dealing even with hundreds of millions no longer excite much comment. But according to the Secretary the membership of the Association comprises an aggregate capital, surplus and deposits of \$11,460,875,-

527, the number of members being 7677. Is there any other organized body that can lay title to such an immense combination of resources or of the products of human industry?

With its growth in size the influence of the Association on the course of affairs is, of course, extending. And there is cause for congratulation that those prominent in its councils are not governed by narrow or provincial views. Certain remarks made by the retiring President, Mr. E. F. Swinney, have particularly impressed us in that regard. Mr. Swinney said that time was when banks and bankers were merely thermometers registering the local financial atmosphere of the country, but to-day in the large sphere of business undertakings they largely create that atmosphere. No better illustration of this could be given, he thought, than the attitude of the bankers during the period of the silver craze. To the American bankers more than to any class of business men is due the fact that the country did not go irredeemably astray on the question of the monetary standard. Mr. Swinney stated that he was particularly desirous to disparage the too prevalent notion that the meetings and conventions are merely the assemblages of good fellows for a good time and are not of practical benefit. They are practical and of widespread benefit.

Mr. Walker Hill also gave expression to some suggestive words along the same lines. Mr. Hill combats the notion that the value of membership in the American Bankers' Association consists solely or chiefly in the work of the Protective Committee. That the work of this Committee may be, and often is, of very great pecuniary value to individual members, he thought, was a feature of membership in the Association that all appreciate; but he did not hesitate to say that in the opinion of most of the members if this Committee were abolished and the work that it does altogether abandoned there would still remain important work for the Association to do, and a material advantage in its membership. The lawyers do not maintain Bar Associations to protect themselves against wrongdoers, but to elevate the standards of their profession and compel its members to observe their obligations to clients and their duties to the courts. And so the members of the American Bankers' Association must not consider the sole advantage of membership in it to lie in such protection as it may afford against the criminal classes. The standing committees on "Uniform Laws," "Currency Legislation," "Bankers' Money Orders," and "Education," as well as the "Protective Committee," all do work of pecuniary value to the members of the Association. Mr. Hill also did well to recall the origin and purposes of the Association, pointing out that at the very beginning of its career the Association set before itself a wise and patriotic purpose, and from that day to this it, as a body, and its members, as individuals, have

given freely to the Government valuable assistance in carrying out every financial measure which the Government has undertaken.

Among the addresses delivered before the Convention those by Secretary Shaw and Comptroller Ridgely easily take leading place by reason of the attention they commanded at the Convention and the interest and discussion they have aroused outside. Mr. Ridgely devoted himself to the subject of National Bank Examinations, but Mr. Shaw in speaking with reference to Trade Expansion dealt entirely with the question of the decline of our merchant marine and argued in favor of building it up through Government aid. Obviously the subject is one in which every thoughtful citizen is interested, and yet it is not a distinctively banking or financial topic, but rather a controverted political question, and for this reason its introduction and discussion at this bankers' meeting mark somewhat of a departure. For the same reason the propriety of the action has been questioned in certain quarters. Nothing would be gained by entering into a debate on this point. The fact of the matter is that the question of ship subsidies was brought up before the assemblage and that the Convention declared emphatically in favor of the same. It was, in fact, the only subject of large importance concerning which the Association took a decided stand. Secretary Shaw did not express a preference for any particular method of extending Government aid to the shipping or ship building industry, but urged the adoption of "some policy that will restore our flag to her deserved place on the seas and give to American enterprise its share of the carrying trade of the world."

In truth two elaborate addresses on this subject were delivered before the Convention. Besides the one by Secretary Shaw there was another by H. D. Goulder, of Cleveland, the President of the Merchant Marine League, whose theme was "Our Commerce." On the program both these addresses were set down for the third day of the Convention, Mr. Shaw's following that of Mr. Goulder. There is, however, a remarkable similarity of thought underlying these two addresses and also a close similarity in the argument employed, as may be seen by reference to the same on subsequent pages, and had the program been adhered to in the sequence given Secretary Shaw must have been highly embarrassed, his speech coming after the other. By having Secretary Shaw's address transferred to the first day, as was done, this was avoided, and the deliverance attracted the attention which it merited, more so perhaps than if it had been left over to the third day and there had been no other dissertation on the same subject.

As already stated, the Convention took positive action in favor of ship subsidies. It has been sought to create the impression that the resolution was rushed through in great haste and be-

fore most of the delegates knew what it was about—that hence the action represents a sort of snap judgment. Perusal of our stenographic report of the proceedings on the floor of the Convention will serve to dispel this notion. There was apparently a lively debate on the subject, which excited wide interest, and there were remarks in opposition as well as in favor of the resolution; so the delegates must have voted for its adoption with full understanding. Indeed, candor compels the statement that sentiment seemed overwhelmingly in favor of ship subsidies.

Comptroller Ridgely's address concerning National Bank Examinations was a clear exposition of the limitations as well as the advantages of such examinations. The benefits conferred by the examinations are undoubted. And yet while the Comptroller's office can and does render important services, its work must necessarily always consist largely in discovering and laying bare irregularities and violations rather than in making them impossible. The Comptroller can detect and correct, but he cannot wholly prevent. In most cases the mischief has been done before the examiner appears. In order to obtain the best results, therefore, there must be co-operation between the officials of the bank and the Government.

Mr. Ridgely says that after a careful study of the cases which have come under his observation during the past four years he is firmly convinced that no system of bank examination or supervision from the outside of the bank can absolutely prevent fraudulent bank failures. The more thorough and efficient the supervision the more surely and quickly frauds will be discovered and the mere fear of detection will tend to prevent them, but they cannot be surely and in every case prevented by any practical means outside of the bank.

He is equally convinced, however, that with careful and efficient work on the part of the examiner, aided by intelligent and thorough letters of criticism based on the examiner's reports, any board of bank directors of fair intelligence, with an honest desire to obey the law, can, by co-operating with the examiner and the Comptroller, make the failure of their bank practically, if not absolutely, impossible. Even if the whole board, or a majority of it, are not doing their duty in this respect, a respectable minority, or even one or two determined and honest men, can, if they will, secure for their shareholders and creditors this protection to which they are entitled. With the view to rendering it certain that the Directors of a bank are not left in ignorance of faults of management when discovered, a new practice has been inaugurated in the Comptroller's department, as our readers know. Under the new system every letter which contains any serious criticisms at all closes with a paragraph requesting the Directors to join in a letter saying they have received the letter from the

Comptroller and advising the office that steps will be taken to correct the matters complained of. This is a commendable practice and much good has already resulted from it.

TRUST COMPANY SECTION.

The Trust Company Section in its work is proceeding along the lines mapped out for it in preceding years and which have been found so successful. Very naturally, in view of the recent disclosures in the financial world, there was more or less comment upon the comparative absence of wrongdoing and irregularities among this class of financial institutions. As Mr. Stellwagen (President of the Union Trust Company, of Washington, D. C.) in his address of welcome said, the trust companies in a comparatively few years have entrenched themselves firmly in the confidence of the public. Moreover, they have rapidly broadened the scope of their operations, each year entering upon new fields of enterprise and endeavor, and adding new departments for the simpler and safer administration of the affairs of men. It is also true, as Mr. Stellwagen urged, that notwithstanding the rapid advance in heretofore untried fields of corporate development and the absence in many cases of protective provisions, the record of trust companies for stability, conservatism and integrity in management has on the whole been good and clean and their immunity from disaster and scandal is rightfully a matter for pride and satisfaction. As showing, moreover, the principles and spirit controlling those in charge of the affairs of these institutions, we may refer to the terse declaration made by Mr. Edwin A. Potter, of the American Trust & Savings Bank of Chicago, to the effect that there is no theory about administering affairs of trust companies other than that which applies in every business—namely, administering them upon the broad, deep principles of conservatism, honor and integrity.

The papers read before the Trust Company Section dealt entirely with matters in which trust companies are especially interested. Mr. Edward T. Perine, of the Audit Company of New York, presented a mass of statistics with reference to the growth and present status of trust companies in the United States—statistics at once useful and interesting, and which served to reveal in a graphic way the wonderful growth and development this class of institutions has enjoyed in recent years. Mr. Phillips, Secretary of the Lincoln Trust Company of this city, set out the purposes and scope of the recently-organized Banking Publicity Association of the United States. Mr. Phillips possesses much skill as a writer, and his paper reveals that fact.

He points out that a bank or a trust company needs depositors, customers, clients, patrons, or whatever they may be termed, in the same degree as any other business, and of all means of procuring business the most effective is publicity. He uses the word in the modern sense,

that of making public the merits of an article with a view to creating for it a market. The purpose of the proposed Association is to promote Banking and Trust Company publicity to the end that the institutions included may promote their business. While something has been done in the way of publicity—for publicity is accomplished in divers ways, as by a handsome edifice, reputation for courtesy, a favorable report in the community—he thought that few banking concerns have fully availed themselves of the supreme methods of publicity—printers' ink, both in the form of the newspaper advertisement and advertising literature. The most successful publicity of this kind, he urged, is based upon education. The public is being daily educated to buy this and that brand of breakfast food, shoes, soaps, tooth powder; it is being educated to travel and care for its health by recreative sports; it is being instructed commercially, morally, politically by advertising publicity. Why shall it not, therefore, be liberally educated to the discriminating purchase of the commodities offered by financial institutions—to the use of the facilities of the banks and the services of the trust companies? Hence, the primary object of the Association is the systematic education of the public to the discriminating use of these institutions, and to inform it of the particular advantages of each.

It is hoped to accomplish these ends in part by the interchange of ideas, information and methods of publicity. It is proposed further to have local or district headquarters in each of the large cities, with a manager whose duty it shall be to keep in touch by correspondence with members throughout his district; to procure from them such literature, business forms, advertising matter, samples of soliciting and advertising letters as may be obtainable, together with such statement, comment, remark or information as may prove useful for the guidance of members of the Association; each manager to be required to send to the Secretary one or more copies of all such literature, letters, etc., received by him; requests for information or specimens of such literature, etc., from member institutions to be addressed to the Secretary, and to be answered and, if possible, granted by that officer.

It is pointed out that there has been some misapprehension of the exact purport of the plan. It is not asked that members shall give up any trade secrets or private matters pertaining to the conduct of their business, but merely that they shall look at the plan in a broad way, and part with such of their printed matter, etc., as they believe will be useful for the purpose. Those favoring this Association must, of course, be of the mind that this interchange will not be the giving of something for nothing, but a *quid pro quo*, and that what in this instance is to the benefit of all must be to the benefit of the individual.

In his paper "The Benefit of a Real Estate Department to a Trust Company," Mr. Lorenzo

E. Anderson, the Vice-President of the Mercantile Trust Company of St. Louis, showed the advantages that accrue from having a real estate department. In the management of estates for widows and orphans it frequently happens that the largest portion of such estates consists of real estate. Then it is that the real estate department with its experienced corps of appraisers, salesmen and rent collectors becomes an exceedingly useful adjunct, obviating the necessity of seeking outside assistance in the management of the real property belonging to such an estate. Through the real estate department, also, it is possible for the trust department in most cases to secure the management of such estate. The financial department of a trust company, he argues, is also benefitted in many ways by the real estate department—for instance, in furnishing real estate loans on a conservative basis as an outlet for a surplus of idle cash on hand. And through the medium of the real estate department the financial department often secures new depositors. It is interesting to note that in the case of Mr. Anderson's own company the real estate department is operated as a separate and distinct branch—that is, it pays for all its own advertising, pays the salaries of the officers of the trust company who have charge of the department, as well as of all the employees connected with the department, and defrays all the other expenses incurred in the conduct of the department. It also makes a monthly statement to the company, at the same time turning over to it the net results of the month's business.

THE SAVINGS BANK SECTION.

This newest department of the Bankers' Association is justifying all the claims made for it by those instrumental in calling it into being. It is a natural auxiliary of the parent body, comprising a class of institutions which while possessing none of the characteristics of mercantile banks yet form a related part of our general banking system, made up of banks of loans and discount, of trust companies (which latter are assuming many of the functions of mercantile banks) and of savings institutions. The propriety of joining these three classes of institutions together in a common organization will appear when it is recalled that though here in the East the savings banks exist as separate institutions, in other parts of the country it is not unusual to see the field which they occupy covered by the ordinary commercial banks through the organization of savings departments, the banking and savings functions being thus combined.

Though owning to only three years of life, the Savings Bank Section has attained a degree of vigor and strength that reflects great credit on those in immediate charge of its affairs, and particularly upon the Secretary, Mr. Hanhart, who has been tireless in his efforts on behalf of

this new department. As was well said by Colonel Sprague, the retiring Chairman of the Savings Bank Section, in his speech before the general Convention, urging representation on the Executive Council of the American Bankers' Association for the Savings Bank Section, the work of that Section has been as aggressive as that of any other portion of the Bankers' Association. During the year the Section added 118 to the membership of the general Association through the additions to its own membership, which was reported at the Convention as 734, against 616 a year ago. Since the date of the annual meeting, we learn, 12 more savings institutions have joined the Association, raising the total of the membership of the Savings Bank Section to 746.

Colonel Sprague also made a telling point when he said that except for the work of the Savings Bank Section in securing new members the Association would actually have had a shrinkage in its membership. The statement is entirely correct, for the net addition to the number of members in the Bankers' Association during the year was 114, against a contribution of new members from the Savings Bank Section of 118. Had Colonel Sprague decided to push his request for representation on the Executive Council for the Savings Bank Section, the Convention would doubtless have sustained him. But he merely desired to bring the matter to the attention of the assembled delegates and having accomplished his purpose in that respect he withdrew the name of the nominee suggested on behalf of the Savings Bank Section.

The Savings Bank Section, of course, in its discussions and work confines itself entirely to matters coming directly within the province of savings institutions. One of the important committee reports the present year was that dealing with two-name accounts. Joint accounts in Savings Banks are very common, and to the layman it would seem that the position of the bank with reference to such accounts must be perfectly secure. Yet there have been diverse legal decisions in the different States with reference to certain questions arising in connection with such accounts. Accordingly, not a little anxiety has grown up regarding the matter among Savings Bank officials, and hence the occasion for the present report. The committee making the report was appointed in pursuance to a resolution adopted at last year's meeting of the Savings Bank Section, and its function was to consider the question of a form of uniform law regulating the accounts of depositors opened in two names.

It is noteworthy that the committee, after due consideration and deliberation, advised that

they do not consider that general legislation regulating joint accounts in Savings Bank would be either practicable or desirable. The matter was discussed quite at length on the floor, taking up a large part of the time of the Convention, but only to emphasize that there was great divergence of views as to the best course to pursue. A new committee was finally appointed to take in hand the matter of joint and trust accounts. This committee will endeavor to gather information as to the methods in force in the different States, and perhaps in this way arrive at some solution of the perplexing question.

The subject of securing periodic reports of deposits and withdrawals from the savings institutions throughout the country was also debated at length at the meeting. The result of the discussion was that each member of the Section is to forward, as a beginning, on the 31st of December next a report of the total savings deposits and withdrawals for 1903, 1904 and 1905, also the rate of interest paid and the total amount due depositors and perhaps further information as may be decided upon by the Executive Committee. In reply to a question Secretary Hanhart stated that the Savings Bank Section represents about \$2,250,000,000 of deposits out of the \$3,000,000,000 which the Comptroller of the Currency reported as the total of savings deposits in the whole United States. If these reports prove interesting or valuable, and not too expensive, it is probable that later on returns as to deposits and withdrawals will be called for semi-annually or quarterly, or perhaps, as was first suggested, monthly. It is thought that such returns will afford an indication of the course of business and the welfare of the population, reflecting periods of prosperity or periods of depression, as the case may be.

An interesting feature of the work of the Savings Bank Section, as disclosed at the meeting in Washington, was the display of Printed Forms which had been collected during preceding months. They were on exhibition from Monday morning until Friday night and attracted a great deal of attention and called forth much favorable comment. There was also exhibited a copy of the first savings bank account opened in the United States. This was received from the Philadelphia Saving Fund Society, the oldest Savings Bank in the United States. The account shows a deposit of \$5, December 2, 1816, and another deposit of \$5, April 21, 1817, with a credit of 40 cents interest January 1, 1818; 48 cents January 1, 1819, and 12 cents March 31, 1819, when the whole account, now amounting to \$11, was drawn out.

INDEX TO ADVERTISEMENTS.

	PAGE.		PAGE.		PAGE.
ALBANY, N. Y.		CENTRAL TRUST CO. OF ILLINOIS..	46	HOLYOKE, MASS.	
NATIONAL COMMERCIAL BANK....	59	CHICAGO NAT. BANK Inside Back Cover		WHITING PAPER Co.....	39
NATIONAL EXCHANGE BANK	59	CHICAGO SAVINGS BANK.....	45	INDIANAPOLIS, IND.	
UNION TRUST COMPANY	59	COMMERCIAL NATIONAL BANK....	44	CAPITAL NATIONAL BANK.....	166
ATLANTA, GA.		CONTINENTAL NATIONAL BANK...	47	JERSEY CITY, N. J.	
FOURTH NATIONAL BANK	35	DEVITT, TREMBLE & Co.....	167	COMMERCIAL TRUST Co.....	22
BALTIMORE, MD.		DROVERS' DEPOSIT NATIONAL BANK	45	KANSAS CITY, MO.	
FARMERS' & MERCHANTS' NA-		EQUITABLE TRUST Co.....	168	FIRST NATIONAL BANK.....	41
TIONAL BANK	15	EVERSZ & Co.....	43	NATIONAL BANK OF COMMERCE...	41
MIDDENDORF, WILLIAMS & Co....	14	FIRST NATIONAL BANK.....	50	KNOXVILLE, TENN.	
NATIONAL MECHANICS' BANK....	16	FIRST TRUST & SAVINGS BANK...	50	CITY NATIONAL BANK.....	34
NATIONAL UNION BANK OF MARY-		GOODELL (R. H.) & Co.....	46	HOLSTON NATIONAL BANK.....	34
LAND	13	HAMILTON NATIONAL BANK.....	49	KNOXVILLE BANKING Co.....	34
SAFE DEPOSIT & TRUST Co.....	13	HATHAWAY (CHAS.) & Co.....	49	LONDON, ENG.	
STEIN BROS	15	"INTERNATIONAL EXCHANGE" ...	64	BANK OF BRITISH NORTH AMERICA.	56
BIRMINGHAM, ALA.		JACKSON TRUST & SAVINGS BANK	46	NATIONAL DISCOUNT Co.....	65
BIRMINGHAM TRUST & SAVINGS		MACDONALD, MCCOY & Co.....	167	UNION DISCOUNT Co.....	66
Co.	33	MARGRAFF, ANTHONY W.....	64	LOUISVILLE, KY.	
FIRST NATIONAL BANK.....	33	MASON, LEWIS & Co.....	48	AMERICAN NATIONAL BANK.....	32
BOSTON, MASS.		MCINTYRE (T. A.) & Co.....	8	MEMPHIS, TENN.	
AMERICAN LOAN & TRUST Co....	63	MCKEAND (W. B.) & Co.....	167	BANK OF COMMERCE & TRUST Co..	35
BAKER, AYLING & Co.....	64	MERCHANTS' LOAN & TRUST Co..	43	MINNEAPOLIS, MINN.	
BOSTON SAFE DEPOSIT & TRUST Co.	64	MIDDLETON (J. W.) & Co	48	NATIONAL BANK OF COMMERCE... 147	
ESTABROOK & Co.	62	NATIONAL BANK OF THE REPUBLIC		NORTHWESTERN NATIONAL BANK.. 52	
GAY (E. H.) & Co.....	63	Inside Back Cover		SECURITY BANK OF MINNESOTA... 141	
KIDDER, PEABODY & Co.....	132	NATIONAL LIVE STOCK BANK....	45	MOBILE, ALA.	
LEE, HIGGINSON & Co.....	3	NORTHERN TRUST Co.....	42	PEOPLE'S BANK.....	32
MACKAY & Co.....	10	ROLLINS (E. H.) & SONS.....	49	MONTGOMERY, ALA.	
MASON, LEWIS & Co.....	48	RUSSELL (J. B.) & Co.....	52	FIRST NATIONAL BANK.....	32
OLD COLONY TRUST COMPANY....	61	WESTERN BANK NOTE & ENGRAV-		MER. & PLANTERS—FARLEY NAT.	
POOR (H. W.) & Co.....	63	ING Co.....	39	BANK	32
READ (WM. A.) & Co.....	1	WESTERN TRUST & SAVINGS BANK	45	MONTREAL, CANADA.	
ROLLINS (E. H.) & SONS.....	49	CINCINNATI, OHIO.		BANK OF BRITISH NORTH AMERICA.	56
TUCKER, ANTHONY & Co.....	62	FIFTH NATIONAL BANK.....	34	BANK OF MONTREAL.....	54
WEBSTER & ATLAS NATIONAL		CLEVELAND, OHIO.		GAY (E. H.) & Co.....	63
BANK.....	62	CLEVELAND TRUST Co.....	40	MERCHANTS' BANK OF CANADA....	60
BROOKLYN, N. Y.		HAYES (W. J.) & SONS.....	40	SOVEREIGN BANK OF CANADA....	56
BROOKLYN TRUST COMPANY.....	71	DENVER, COL.		MORRISTOWN, N. J.	
FRANKLIN TRUST COMPANY.....	71	FIRST NATIONAL BANK.....	53	MORRISTOWN TRUST Co.....	12
HAMILTON TRUST COMPANY.....	23	INTERNATIONAL TRUST Co.....	53	NASHVILLE, TENN.	
LONG ISLAND LOAN & TRUST Co..	23	ROLLINS (E. H.) & SONS.....	49	FIRST NATIONAL BANK.....	35
PEOPLE'S TRUST COMPANY.....	23	DETROIT, MICH.		NEWARK, N. J.	
CHICAGO, ILL.		STATE SAVINGS BANK.....	165	FIDELITY TRUST Co.....	70
AMERICAN GUARANTY COMPANY..	51	UNION TRUST Co.....	165	NEW ORLEANS, LA.	
AMERICAN TRUST & SAVINGS BANK		GRAND RAPIDS, MICH.		HELLWEGE (PETER) & Co.....	33
Inside Front Cover		GRAND RAPIDS NATIONAL BANK..	166	NEWMAN (ISIDORE) & SONS.....	33
AUDIT COMPANY OF ILLINOIS....	167	MICHIGAN TRUST Co.....	166		
AUDIT COMPANY OF NEW YORK...	69	OLD NATIONAL BANK.....	166		
BECKER (A. G.) & Co.....	48	HARTFORD, CONN.			
		HARTFORD NATIONAL BANK.....	58		

	PAGE.		PAGE.		PAGE.
NEW YORK CITY.		MILLETT, ROE & HAGAN.....	68	LYBRAND, ROSS BROS. & MONT-	
AUDIT CO. OF NEW YORK.....	69	MORGAN (J.P.) & Co.Outside back cover		GOMERY.....	38
BANKERS' TRUST Co.....	71	MUTUAL ALLIANCE TRUST Co....	25	MARKET STREET NATIONAL BANK.	27
BANK OF BRITISH NORTH AMERICA.	56	NATIONAL BANK OF NORTH AMER-		PHILADELPHIA NATIONAL BANK..	29
BANK OF MONTREAL.....	54	ICA.....	19	REAL ESTATE TRUST Co.....	27
BARING, MAGOUN & Co.....	68	NATIONAL PARK BANK.....	163	ROSS, MORGAN & Co.....	27
BARNEY (CHARLES D.) & Co....	24	NEW YORK LIFE INSURANCE &		SMITH (EDWARD B.) & Co.....	89
BROWN BROS. & Co.....	2	TRUST Co.....	9	STERRETT, J. E.....	38
CANADIAN BANK OF COMMERCE...	55	NEW YORK TRUST Co.....	5	PITTSBURGH, PA.	
CASE LAW PUBLISHING Co.....	38	OLIPHANT (J. H.) & Co.....	26	BANK OF PITTSBURGH.....	31
CHASE NATIONAL BANK.....	163	ORIENTAL BANK.....	19	CABOTHS (JAMES) & Co.....	29
CLEMENT & SMITH.....	24	PLYMPTON, GARDINER & Co.....	7	HILL (GEORGE B.) & Co.....	165
COLONIAL TRUST Co.....	21	POOR (H. W.) & Co.....	63	MELLON NATIONAL BANK.....	30
FARMERS' LOAN & TRUST Co....	72	READ (WM. A.) & Co.....	1	WHITNEY, STEPHENSON & Co....	165
FISK (HARVEY) & SONS.....	4	RUSSELL (J. B.) & Co.....	52	PROVIDENCE, R. I.	
FISK & ROBINSON.....	6	SEABOARD NATIONAL BANK.....	20	AMERICAN NATIONAL BANK.....	60
FOURTH NATIONAL BANK.....	126	SMITH (EDWARD B.) & Co.....	89	MERCHANTS' NATIONAL BANK....	60
FRANKLIN TRUST Co.....	71	SPEYER & Co.....	67	RICHMOND, VA.	
GALLATIN NATIONAL BANK.....	163	STEPHENS (T. W.) & Co.....	26	NATIONAL BANK OF VIRGINIA....	16
GAY (E. H.) & Co.....	63	STERRETT, J. E.....	38	SCOTT & STRINGFELLOW.....	16
GUARANTY TRUST Co.....	12	SWEET (EDWARD) & Co.....	25	ROCHESTER, N. Y.	
HALSEY (N. W.) & Co.....	25	UNITED STATES MORTGAGE & TRUST		GERMAN-AMERICAN BANK.....	58
HANOVER NATIONAL BANK.....	11	Co.....	22	ST. LOUIS, MO.	
HATHAWAY (CHAS.) & Co.....	49	UNITED STATES TRUST Co.....	69	MECHANICS' AMERICAN NATIONAL	
HODENPYL, WALBRIDGE & Co....	26	WASHINGTON TRUST Co.....	21	BANK.....	41
IRVING NATIONAL BANK.....	20	WHITING PAPER Co.....	39	MERCANTILE TRUST Co.....	37
KEAN, VAN CORTLANDT & Co....	1	WINSLOW, LANIER & Co.....	162	MISSISSIPPI VALLEY TRUST Co...	36
KIDDER (A. M.) & Co.....	26	NORFOLK, VA.		NATIONAL BANK OF COMMERCE...	168
KIMBALL (R. J.) & Co.....	24	CITIZENS' BANK.....	17	THIRD NATIONAL BANK.....	41
KNAUTH, NACHOD & KUHNE....	24	NATIONAL BANK OF COMMERCE...	17	SAN FRANCISCO, CAL.	
KNICKERBOCKER TRUST Co.....	20	NORFOLK NATIONAL BANK.....	17	CANADIAN BANK OF COMMERCE...	55
LATHAM, ALEXANDER & Co.....	18	OTTAWA, ONT.		ROLLINS (E. H.) & SONS.....	49
LIBERTY NATIONAL BANK.....	18	BANK OF OTTAWA.....	57	TORONTO, CANADA.	
LINCOLN NATIONAL BANK.....	25	PHILADELPHIA, PA.		BANK OF TORONTO.....	57
LYBRAND, ROSS BROS. & MONTGOM-		AUDIT COMPANY OF NEW YORK...	69	CANADIAN BANK OF COMMERCE...	55
ERY.....	38	BARNEY (CHARLES D.) & Co....	24	DOMINION BANK.....	57
MACKAY & Co.....	10	BROWN (LAWRENCE E.) & Co....	38	SOVEREIGN BANK OF CANADA.....	56
MCINTYRE (T. A.) & Co.....	8	CENTRAL NATIONAL BANK.....	29	STANDARD BANK OF CANADA.....	57
MAITLAND, COPPEL & Co.....	70	CLARK (E. W.) & Co.....	27	WOOD, GUNDY & Co.....	53
MARKET & FULTON NATIONAL		FARMERS' AND MECHANICS' NA-		UTICA, N. Y.	
BANK.....	23	TIONAL BANK.....	28	UTICA TRUST & DEPOSIT Co.....	58
MECHANICS' NATIONAL BANK....	98	FOURTH STREET NATIONAL BANK.	28	WASHINGTON, D. C.	
MERCANTILE NATIONAL BANK....	144	GAY (E. H.) & Co.....	63	JOHNSON (LEWIS) & Co.....	15
MERCHANTS' BANK OF CANADA....	60	GIRARD NATIONAL BANK.....	163	NATIONAL METROPOLITAN CITI-	
MERCHANTS' EXCHANGE NATIONAL		GIRARD TRUST Co...Inside Front Cover		ZENS' BANK.....	14
BANK.....	69	GRAHAM & Co.....	28	RIGGS NATIONAL BANK.....	14
MERCHANTS' NATIONAL BANK....	19				

BANKING SECTION

AMERICAN BANKERS' ASSOCIATION.

31st Annual Convention, Held at Washington, October 10, 11, 12, 13, 1905

INDEX TO CONVENTION PROCEEDINGS.

Trade Expansion, by Leslie M. Shaw	Pages 81 to 84	Annual Report of the Secretary	Pages 103 to 104
Bank Examination, by Wm. B. Ridgely	Pages 84 to 86	Annual Report of the Treasurer	Page 104
Scotch Bank System, by Robert Blyth	Pages 87 to 89	Report of Executive Council	Pages 106 to 112
Our Commerce, by R. D. Goulder	Pages 90 to 93	Report of Protective Committee	Pages 104 to 105
The Situation, by F. A. Vanderlip	Pages 94 to 96	Report of Committee on Uniform Laws	Pages 105 to 106
Benefits of Association, by Walker Hill,	Pages 97 to 98	Report of Committee on Education	Pages 112 to 116
Detailed Report of Proceedings	Pages 99 to 126	Report of Currency Committee	Pages 116 to 117
Addresses of Welcome	Pages 99 to 101	Report of Committee on Cipher Code	Page 117
President E. F. Swinney's Address	Pages 101 to 103	Report of Auditing Committee	Page 123

Trade Expansion

By LESLIE M. SHAW, Secretary of the United States Treasury.

The nations of earth sell to each other \$10,000,000,000 worth of merchandise per annum, one-eighth of which originates in the United States, and one-ninth of this grand aggregate finds our ports for ultimate consumption. Within the last half century the United States has not only assumed importance among commercial countries, but in the last decade she has become the greatest commercial nation of the world. Not only do her exports exceed those of any other country, but her domestic commerce is two and one-half times as large as the aggregate international commerce of the round earth. While the eighty and more commercial countries are selling, the one to the other, merchandise worth \$10,000,000,000, the American people sell to each other merchandise worth practically \$25,000,000,000. These stupendous and incomprehensible figures make some of us proud, some arrogant. They should make us all thoughtful and prevent any of us from becoming recklessly critical.

We point with pride to our export trade of a billion and a half, and with our thumbs in the armpits of our waistcoats we contemplate our skill and foresight and our ability as international merchants. Will I be pardoned if I suggest that this export trade is due in no very large degree to our skill either as international bankers or as international merchants?

We grow three-fourths of the cotton of the world, and there being no other limitless supply the world comes to us for it. It comes willingly and it comes in its own ships.

The world never has six months' food in store. If harvests should cease to follow seedtime for six months the world would starve. Again, the United States is fortunate, for her farms annually yield largely in excess of what eighty million people can consume, and, as in the days of Joseph, a starving world goes to Egypt, or to the United States, or wherever there is an excess of corn or other food, and now, as then, it provides its own conveyances. It requires no international merchant to sell raw cotton to countries which grow none, or food products to people who produce less than they consume.

We produce 400,000 tons of copper per annum—more

than half of the world's aggregate. Of this we consume somewhat over 200,000 tons and export nearly as much. This being the source of greatest supply, the world again comes for our surplus, and comes in its own ships. It requires no international merchant to sell copper.

We produce 73 per cent. of the world's supply of refined petroleum. It would seem to require neither an international merchant nor a merchant marine to market our surplus petroleum. The Standard Oil Company, however, in its international business has found it convenient to provide ships.

Of our aggregate exports about \$1,000,000,000 consists of raw cotton, food products, petroleum products, crude copper, lumber and other raw materials and crude articles, of which we produce a surplus, which the world not only needs but must have.

The time is coming, gentlemen—with our increasing population more largely urban than ever, with factories multiplying more rapidly than farms, with limitless manufacturing resources and matchless aptitude for production—when the United States will need new and important markets. The world may come to us in its own ships for the products of our farms and the raw products of our mines, but it will not come in its own ships for the finished products of our factories. The time is coming when we will need international bankers and international merchants and an international merchant marine.

I am well aware that this is not supposed to be a popular theme, but I did not accept your courteous invitation for the purpose of discussing subjects on which all good men agree. I accepted for the purpose of bringing to your consideration questions which public speakers usually avoid, to the end that you may think them over, talk them over by your firesides and in your places of business, in the hope that we may some time, and as soon as possible, agree upon some course, some policy, that will restore our flag to her deserved place on the seas and give to American enterprise its share of the carrying trade of the world.

I am well aware that there are some, and they are not confined to any one party or to any one locality—

they are prominent in both parties and are found on the shores of New England and on the prairies west of the Mississippi—who urge that we need do nothing more than gracefully surrender a portion of our \$25,000,000,000 of domestic commerce and then, by a logic which I do not understand, we will get so much larger share of the world's \$10,000,000,000 export trade as to fully compensate ourselves, and that in addition we will make the world happy. I quite agree with them that it would make our competitors happy. But I will not discuss that question. I desire to confine my remarks to the importance of a merchant marine.

Over one hundred years ago Congress passed an act giving to the American shipbuilder and the American shipowner a monopoly of our coastwise trade. Since then political parties have passed into forgetfulness and others have come and gone. Administrations have changed again and again, but that old law remains intact. It has been often assailed, but no party has dared to repeal it. It therefore has the stamp of nonpartisan approval. As a result we have the largest and cheapest coastwise trade in the world. The Detroit River floats more tons of American freight than all the foreign commerce that enters London, Liverpool and New York City combined, and under every ton is a ship built of American materials, by American workmen, owned by American capital, operated by American enterprise, and over every pound floats the Stars and Stripes. This country certainly possessed some measure of statesmanship in the days of James Madison, and wisdom did not die with the fathers or the law ere this would have been repealed.

Practically a half century ago the present minority party inaugurated, and the present majority party adopted, a policy of liberality to the promoter. It gave subsidies of money, or subsidies of land, or both money and land, to encourage the construction of trans-State and transcontinental railroads. The Union Pacific, the Southern Pacific, and the Northern Pacific railroads each received Government aid. These roads opened an empire of matchless resources, and here our ever-increasing population found ample room and abundant opportunity. They improved farms, developed mines and builded States yielding a commerce which has made these roads in turn self-supporting, so that no country, State or the General Government longer grants aid to new roads. We not only have the largest and best railroad system in the world but the cheapest rates in the world.

Not only has the General Government subsidized domestic commerce by direct appropriations from the public treasury in aid of railroads, but it annually subsidizes commerce, both domestic and foreign, by large appropriations for the improvement of rivers and harbors. No difficulty is ever experienced in passing a river and harbor bill if its benefits are sufficiently distributed.

The Government is now enlarging not only the scope but also the amount of its bounty. It has paid fifty millions for the right to dig a ditch in aid of international commerce, and proposes to pay two hundred millions more, or five hundred millions more, if necessary, in the construction of that international ditch, other millions in its maintenance, and no end of millions, if necessary, in its defense. Then after all this outlay we are under contract to grant its use, for all time, to all the world, on the same terms as to the people of the United States. At first blush one might expect partisan opposition instead of nonpartisan co-operation. But so manifestly wise is the enterprise, so abundantly able is the Government to bear the expense, and so many are the advantages to be derived therefrom, that throughout the length and breadth of the nation no voice is heard against it.

You may find it necessary to glance at the map before you appreciate that it is about the same distance from the principal ports of Europe to San Francisco via Cape

Horn as from New York to the same port. It is also about the same distance from the principal ports of Europe to San Francisco via the Suez Canal as from New York to the same destination via the Straits of Magellan. Cut the Isthmian Canal and it will be about the same distance from New York to Hongkong via Panama as from Liverpool to Hongkong via Suez. The completion of the canal will move the line of equal distance from the eastern to the western shore of the Pacific. Have no fear, brethren, we will get the worth of our money, provided we place ourselves in position to get our share of the use of the canal.

The markets of South America, South Africa and the adjacent islands are just being developed. The eyes of the world are upon them. The merchant nations of Europe know where they are located and they are establishing banks and warehouses within them, and they have already established regular and fast lines of steamers to them. The United States has neither banks, nor commission houses, nor warehouses in these ports, nor has it means of communication with them, except through old, worn-out, dilapidated ships, sailing under foreign flags and making eight or ten knots an hour.

The United States imports a million dollars' worth per day of tropical and semitropical products. It sends to Europe, in excess of everything we receive from Europe, a million dollars a day in raw materials and food products such as I have described; and Europe in turn sends a million a day to the ports of South America, South Africa and the islands adjacent. I do not need to tell you of the great number of ships that sail the triangle. They start from home with a cargo of finished products which they leave in those Southern ports, then load with coffee, rubber, hemp, sisal, mahogany, dye woods and fruits for the United States; then take a load of our raw materials, cotton, copper, petroleum and food products, back to Europe.

I have been many times taken to task for remarks like these. I have received letters, for instance, from certain commercial associations, the principal officers of which are interested in foreign steamship lines, calling my attention to the fact that means are at hand for carrying to these Southern ports all the merchandise that America sends thither. Gentlemen, I have never taken the position that what goods we ship to South America do not ultimately reach those ports. I have sometimes called attention, however, to the fact that the quickest way to go to South America, or to send mail to South America, or to ship freight to South America, and the most usual way, is to send first to Europe and thence to the ports of destination. A large share of our paltry commerce with those countries does actually go by way of Europe rather than in these old scows owned by the men who take the position that because there are ways in which goods can be sent thence, therefore no occasion exists for improving the means of communication.

Iowa was dotted with settlements long before railroads tapped the Territory. In those days some grain was grown, and the little that was grown was hauled in wagons, frequently a hundred miles and sometimes more. A few cattle were fattened, and they were driven sometimes four hundred miles to market. There were trails even then, and sometimes roads. Some hogs were fattened. These were killed, their carcasses frozen and hauled to market—a process which consumed sometimes weeks and frequently entailed an expense exceeding the value of the freight carried. But in those days Iowa did not contribute very much either to interstate or to international commerce. Not until railroads, encouraged by Government aid, were built did her commerce multiply, and not until these became of the best did she take rank and contribute abundantly.

I am also aware, for my attention has been called thereto repeatedly by letter, and more frequently still by editorial comment, that a representative of the Department of Commerce and Labor, sent to South America

for the purpose of investigating this subject, has reported that there are means of communication between the United States and South America. I have read his reports, and I beg my critic's pardon, for the distinguished college professor does not take the position assumed by the steamship companies, that existing means of communication are satisfactory or that they should not be improved. Permit a few extracts from Professor Hutchinson's report:

Suffice it to say that the service from Europe is carried on by large and fast steamers, thoroughly equipped in every way for freight, passenger and mail business, running on accurate schedule time, and giving regular communication between Brazil and Europe, in each direction, at least six times per month, while the steamers from the United States are small and slow, have only inferior accommodation for passengers, and, with the exception of a single sailing each month, are more or less irregular as to time of departure and arrival. It is thus often possible to get much quicker delivery of an order from England or Europe than from the United States.

After expressing the opinion that this inferiority of American service does not seriously affect large wholesale dealers in standard grades and sizes of goods, because the cables run independently of the mails, he adds:

With smaller dealers and smaller orders, as well as in all larger orders, where full and specific instructions have to be given as to sizes, shapes, weights and grades of goods, the mails must be used, and I have met with many complaints as to the inadequacy of the service. I have heard of instances in which it took twice as long to get such orders from the United States as from Europe.

In speaking of the flag as a means of advertising, he says:

At present our flag is never seen here except on an occasional warship, or private yacht, or an out-of-date sailing vessel. The mass of the people scarcely know that such a country as the United States exists, and those who do know it, most of them, have but the dimmest notion of the vast economic activities of our people. This is a market peculiarly sensitive to notions of fashion and prestige. Most of the population, all except the very few who have traveled in the United States, have exalted ideas as to the greatness of England, France and Germany, and the "fashionableness" of using commodities produced in those countries. There is not the slightest question that these impressions are deepened by visible illustration of the superiority of European merchant marine in Brazilian ports.

These instances are from the one expert quoted by the owners of foreign ships and by the press as having reported that the means of communication with South America are ample for the amount of commerce that now exists.

But suppose that were true, gentlemen. There are no such agents of commerce as the representatives of transportation companies. Senator Proctor once told me that his company had a large Australian trade in marble, but he said it was through no skill or foresight of the company. A line of steamships had begged that instead of going back empty after having brought Southern products to the United States, or of going to Europe for a cargo, they might be permitted to carry some marble to Australia. Thus, through the skill and enterprise of a foreign transportation company, so large a trade in marble was established that the company is now compelled to have representatives down there. I have never heard of any manufactures of cotton goods or of household utensils or of anything else produced in competition with Europe to whom the owners of European steamship lines have offered any special advice or encouragement.

One great difficulty in getting a foothold in these markets is to get our producers interested in the subject. For this purpose the Government goes to great expense in getting consular reports on conditions in these foreign ports. These reports are regularly published in pamphlet form for general distribution. Quantities of them go to Europe, however, and are furnished, not as we furnish them, to whomever asks them, but they are sent direct to the concerns engaged in the trade at the ports whence the report is made. These reports are full of statements to this effect. I quote again from Professor Hutchinson, he being the principal authority

of those who oppose every means for the creation of a merchant marine. He says:

As I came south I found conditions much more encouraging, and here in Rio de Janeiro and in the neighboring State of Sao Paulo I have been deeply impressed with the possibilities which are awaiting development. It is pleasant to note an undercurrent of friendliness toward the United States and a seeming willingness to meet any advances our people may make at least half way. There is a great field awaiting development if our exporters can be made to believe that it is worth while to employ the right methods.

Does any one doubt that an American line of steamships making regular trips to Rio de Janeiro, the Government paying the loss until the trade is established, would knock at the door of every factory in the United States, submit samples of the goods consumed by the people and beg their production and the privilege of carrying them? In the same report Professor Hutchinson says:

New lines established now would have to run at a loss for a very considerable time. Of this there can be no doubt.

In the same trade report in which Professor Hutchinson's oft-quoted article appears is an article by A. T. Wills, who was sent abroad by the New York "Commercial" to inquire into trade conditions, from which I quote:

The Germans are especially aggressive, and many of the German houses are doing the business we ought to be doing. If they see that American goods are in demand they get samples of them, send them home and invite the manufacturers to imitate the articles, even if they are inferior, and thereby get the trade. This is not difficult, for there is no representative of the American interests on the spot to defend our goods.

Does any one doubt that an American line of steamships, in part dependent upon the traffic, would see that our goods were defended? He further says:

Spain has the East India and Egyptian cotton market to draw upon as well as ours, has good shipping facilities, and, more important than all this, turns out goods which the Spanish-speaking people all over the world want. It gets the trade, because its manufacturers turn out goods to meet the requirements, rather than, as we do, try to educate their customers to take what they produce.

The reports are literally full of specific instances where our manufacturers have refused to change their patterns to meet the conditions of South American trade, or where they have abandoned a trade partly established whenever there has been a local demand sufficient to keep their factory employed. Does any one doubt that the representatives of American transportation companies would do much toward correcting these defects?

Possibly some one will say: "Who cares particularly for the American manufacturer? It is his business, not ours." Yes, but it is my business also. I own some farms in Iowa and I want my tenants to feed the men who manufacture for these markets. I am selfish. In fact I am so selfish that I desire every industry under our flag to prosper, and I hope I am wise enough to know that no one class of American people ever did prosper except when all our people prospered. I hope I am wise enough to know that the prosperity of any one class means the prosperity of all.

The United States is the owner of the Philippine Islands, and these possessions, plus the Panama Canal, plus a merchant marine, would insure to the American people somewhat more than their present 10 per cent. of the one thousand millions of trade washed by the shores of the Pacific.

We occupy the best position on the map. We have the safest and the most convenient form of money in the world. We speak the language of commerce. Our farms produce more than the farms of any other country. Our mines yield gold literally by the carload, silver by the trainload, and there is unloaded on the shores of a single Commonwealth more iron ore than any other country produces. Our forests yield one hundred million feet of lumber for every day of the calendar year. Our factories turn out more finished products than all the factories of Great Britain and Germany combined by more than three thousand millions every

twelve months. We transport this matchless product of farm and factory, forest and mine, from the interior to the sea at one-third what similar services cost anywhere else beneath the skies. We carry it from point to point along the coast in better vessels, on quicker time, and at cheaper rates than others. But at our coast line we are brought to an abrupt halt. Here we are no longer independent. Our foreign commerce is four times as large as forty years ago, but we carry in our own ships only one-third as many gross tons as forty years ago. We have protected and encouraged every interest but

our merchant marine, and every protected interest has flourished. We have every facility for international commerce except international merchants, international bankers and an international merchant marine. Shall we not have these? I am not urging ship subsidies. I am speaking of results, not of methods. If we will but take advantage of our opportunities we will send these products of farm and factory under every sky and into every port, and make our financial centers the clearing houses of at least a fraction of the world's trade.

Bank Examination and Supervision.

By WILLIAM BARRET RIDGELY, United States Comptroller of Currency.

After a careful study of the cases which have come under my observation during the past four years, I am firmly convinced that no system of bank examination or supervision from the outside of the bank can absolutely prevent fraudulent bank failures. The more thorough and efficient the supervision, the more surely and quickly frauds will be discovered and the mere fear of detection will tend to prevent them, but they cannot be surely and in every case prevented by any practical means outside of the bank.

I am also equally convinced by the same experience that with careful and efficient work on the part of the examiner, aided by intelligent and thorough letters of criticism based on the examiner's reports, any board of bank directors of fair intelligence, with an honest desire to obey the law, can, by co-operating with the examiner and the Comptroller, make the failure of their bank practically, if not absolutely, impossible. Even if the whole board, or a majority of it, are not doing their duty in this respect, a respectable minority, or even one or two determined and honest men can, if they will, secure for their shareholders and creditors this protection to which they are entitled.

I am sure that in this direction the co-operation between the directors of a bank and the supervising authority lies the best hope of decided and permanent improvement in the supervision of banks and the reduction of bank failures to a minimum.

No outside supervision can supply honesty or brains for the management of a bank, or take the place of either when it is lacking. The best it can do is to discover acts of dishonesty or bad errors of judgment, after they have occurred, and to some extent prevent illegal acts by fear of their discovery and punishment. If bank officers are honestly and in good faith doing their best, though with bad judgment and without ability, the advice of an examiner may often be of great assistance in judging of credits and preventing the increase of loans on weak lines, and the restrictions of any good banking law are of incalculable value to well-meaning though weak or incompetent management. In most banks there is an honest desire to comply with the law and conduct the business safely, and legal restrictions have saved many such banks from trouble, if not failure. When, however, the officers of a bank are reckless, incompetent or dishonest, and sometimes they are all of these, the bank is in great danger of failure, in spite of any supervision which can be given it from the outside. In some such cases, an appeal to the directors may result in a change of officers and policy in time to save a bank, and I have known one good strong man to conduct a campaign almost alone among the stockholders, convince them he was right, and save a bank which had been brought very near to failure.

It is generally the case, however, when one bad man, or a bad crowd, get possession of a bank, and have large ownership of its stock, it sooner or later comes to grief

in spite of everything the examiner and Comptroller's office can do, unless they get honest assistance from some officer or director inside the bank.

An examiner always works under one great and unavoidable disadvantage. He can do little or nothing until after the law has been violated and much, if not all, of the harm is done. If the trouble is a bad, excessive or fraudulent loan, it has been made before he can act. If there is a shortage in the cash, through a defalcation or robbery, the money is gone before he can know it, and often with little or no chance for its recovery. A good examiner does his whole duty in the discovery of such a case. It is not reasonable to ask him to prevent it. Only so far as the fear of discovery deters bank officers from fraudulent acts can any supervision, short of frequent and complete auditing, prevent their occurrence.

A bank does not often fail suddenly. The condition which leads to it is apt to be of comparatively slow growth. Far the most frequent cause of failure is a large line of loans to some concern or group of concerns in which the officers are interested, or to the officers themselves. When the loans are new they look all right, and frequently are good. But if things go wrong and this outside venture loses money, the loans begin to increase, and soon good money begins to go after bad with the inevitable result. It is surprising to see in how few cases men who may have been heretofore honest and square, have the honesty and moral courage to face the failure of their bank when due to bad judgment or incompetency, without resorting to frauds of some kind. It is extremely rare to find a bank has failed without some of the officers committing fraudulent or illegal acts to hide it.

Every examiner, however, has many cases to report which are taken up and corrected, sometimes after they have become very bad. There are a great many such cases where a bank gets into more or less serious trouble and yet is saved, where one goes on to failure. I believe there is seldom a day in the Comptroller's office when we do not have pending a case of a bank which is found, not necessarily from frauds or always violations of law, but from bad banking, in a condition which, if allowed to go on, would lead to serious trouble, but which we are able to have corrected on the examiner's report and advice. We always have a list of those we are watching, and a very large percentage come out all right. They almost invariably do when the management is honest, and tell us the truth. It is very hard to tell when the bank is beyond hope and really is insolvent. The hard cases are where the officers are dishonest and untruthful and perpetrate all kinds of frauds to conceal the condition. A common device is to put forged notes into the bank, ostensibly signed by people of good credit. Another is to fail to cancel and deliver to customers notes which have been paid, and to keep them in the bills receivable.

One can readily see how hard it is for an examiner to discover such frauds, when they are perpetrated by shrewd scoundrels who have every advantage of being in the bank all the time, while the examiner comes only twice a year.

After a bank fails and disclosures of dishonesty are made, it is wondered why such things could go on undiscovered so long. The examiner is blamed and abused, with or without reason. In some cases he is very much to blame, but in those which I have had occasion to investigate, this has not very frequently been found to be true. It must be remembered that these frauds and deceptions are, in most instances, being carried on by men of unusual ability—men who stand very high among their neighbors, not only in business, but also in social, religious and political matters. Almost invariably they deceive the whole community, their business associates, their friends, and even their families. It is frequently an astounding revelation to all of these, that the banker who has failed, defaulted and perhaps absconded, or killed himself, is not a man of wealth as well as the ideal of honor and business integrity. It is only men who establish such reputations that have the opportunity to betray large trusts, and of these, only those with skill and shrewdness, and the peculiar courage it takes to face unflinchingly such situations, can carry them on for any length of time without discovery. However his suspicions may be aroused, the examiner is, as I have said, under the great disadvantage of only being able to act after the crime is committed. He can discover them, but he cannot surely prevent such frauds.

Our system of National Bank examination is much the most extensive which has ever been undertaken by any country or government, and the experience accumulated during the forty-two years of its operation covers almost every conceivable trouble or complication into which the affairs of a bank may be brought, either by dishonesty, incompetency or neglect. The methods of examination, reports and criticisms based on them have, of course, been a gradual growth. In spite of certain defects and weak points, some of them serious and now needing improvement, it has worked very well. In the main the examiners have been faithful, competent men, doing conscientious and good work. The record of the National Banks in regard to failures is better than any banks we have ever had in the United States, or those of any other country, under at all similar conditions.

Of the seven thousand nine hundred and thirty National Banks which have been organized four hundred and thirty-eight have failed, or five and one-half per cent. of the whole number as against about seventeen and one-half per cent. of banks other than National in the same period. The National Banks which have failed have paid their creditors over seventy-eight per cent. of the amount due them, while the other banks have paid only about forty-five per cent. Of the billions and billions of dollars they have had on deposit, the National Banks have lost for their creditors in the whole period of their existence only about thirty million dollars.

These records in favor of the National Banks are mainly, if not entirely, due to the wise provisions and restrictions of the National Bank Act and examination and supervision by the national authority. The examination provided in the Bank Act from the first, and in this it has never been changed, contemplated the examination of a bank by a single man and, except in the large cities, only provided such pay for it as would cover one or two days' fair pay, including expenses. This is not sufficient examination, no matter how efficient and careful the examiner, to infallibly detect, much less prevent fraud and dishonesty. It does detect much of it, perhaps most of it—but not by any means all. I am more often surprised at what is detected by shrewd examiners and upon what slight clues than at what escapes them.

The weakest feature of the present system of examinations is that the examiners are paid by fees instead of

salaries. I believe every Comptroller of the Currency has advised a change in this system; certainly all those of recent years have done so. The examiners as a whole are a fine body of men—faithful, industrious and attentive to their duty. But unfortunately this is not true of each individual, and the circumstances of their work being away from the observation of the office makes it difficult to check them up and see that all the work is well done. The temptation to slight it is sometimes too great, and this should be removed as far as possible by changing the basis of their remuneration. It is not reasonable to expect a complete audit of the books of a bank and the checking up of every department in it for a fee of sometimes only twenty dollars. If one were to employ a professional accountant to do such work, it would cost many times this amount. This, in a large bank, is the work of many days or weeks. Perhaps it is not practicable nor advisable to have such complete service as this by officers of the government. It is more a matter for the directors of a bank. It is now being done very thoroughly by an increasing number of the best banks, and it is a matter that every Board of Directors should give the most careful consideration. No bank should be without a good system of this kind.

The government can, however, and should by all means, improve the service by paying the examiners salaries and greatly increasing their number, so that a man would have time, and take time, to go into matters as thoroughly as is necessary to get at the real condition of the bank. The men ought to be paid good salaries—large enough to attract and hold good men. It is one of the difficulties of the present service that it is hard to keep a good man. Just as an examiner gets to know his district well, and becomes really efficient, he is apt to be hired by some bank looking for an officer. I see no way to altogether prevent this, but the salaries should be enough to keep men fit for the service in it. It is easy enough to get ambitious young men who are thoroughly competent to go into the service for the experience and acquaintance it gives them. It is more difficult and more important to keep them after they have been trained to the work.

As I said in beginning, the direction in which we can look for the greatest improvement in bank supervision is in co-operation between the directors of the banks and the supervising authority. The government supervision can and should be improved, both by change in system and better administration and it can do a great deal to help the directors to realize their responsibilities and do their duty. For some months past there has been a most determined effort on the part of the Comptroller's office to fix the responsibility of bank management on the directors of the National Banks, and especially to see that the directors are properly informed of what the bank examiners find in the condition of the banks which calls for criticism and needs correction. All letters of criticism from the office are addressed to the president of the bank, and are generally answered by the president or cashier. Until recently nothing was done to call these letters to the attention of the directors, except when there was very serious criticism and a bank was in a critical condition. As a result of the former system, banks were often found in a very bad condition, without any effort having been made to advise the Board of Directors of the facts of the case, and it was a common complaint from directors that they had never been notified of things going on in the bank about which the officers had been written repeatedly. Under the new system, every letter which contains any serious criticisms at all closes with a paragraph requesting the directors to join in a letter saying they have received the letter from the Comptroller, and advising the office what steps will be taken to correct the matters complained of. During the short time this plan has been tried its good results are very apparent. It has resulted in many Boards of Directors making inquiries into the business of their institutions and bringing to light transactions

of which they would otherwise never have known, although it was not only their right, but their duty, to know all about them. It has led to some complaint, and has been resented by the officers of some banks who felt that it was in some measure a reflection not only upon their management, but upon their character as well. Careful consideration, however, of the proper relations which should exist between the directors of a bank and its executive officers, and especially their legal and moral responsibility to their shareholders and creditors, should convince any bank officer who desires to conduct the business of his bank as he should that this is a measure looking only to more careful and better administration.

No bank officer who is running his bank properly should have any fear of his directors, and they have a right to know in what respects he is subjecting their business to the criticism of the Comptroller, and, above all, if he has been found violating the law. I feel that this is a most important improvement in the administration of the Comptroller's office, and have perfect confidence that when understood it will meet the approval of every bank officer who wants to run his bank as it should be, and every director who accepts the duties and responsibilities which his oath and the Law wisely and properly place upon him. As long as I am Comptroller, I propose to assume, without evasion, my responsibility and to see, as far as I have power to do so, that the directors of the National Banks and their officers accept theirs.

The bank examiner and the Comptroller's office have certain duties which they must perform and for which they are responsible, and it is no excuse for them to put blame for their failure to do so in any way upon the directors of the bank. On the other hand, the directors also have independent duties which they must bear and which they cannot shift to the examiners. It is no answer to a charge of neglect of these duties to criticize or complain of the bank examiner. The Bank Act provides the "the affairs of each Association shall be managed by not less than five directors," and that "each director, when appointed or elected, shall take an oath that he will, so far as the duty devolves upon him, diligently and honestly administer the affairs of such Association, and will not knowingly violate, or willingly permit to be violated, any of the provisions of this title." No man is fulfilling the obligations assumed in this oath who accepts an election as director of a bank and then allows the officers to manage all its affairs without really letting him know what is going on in the bank at all, as is too often the case.

The duty of a bank director, if he would fulfill the obligation imposed by his oath and protect the interests of the shareholders for whom he is a trustee, and the creditors, to whom he is under even greater moral obligations, requires that he should know positively that the affairs of the bank are being properly managed. Meetings of the directors should be held regularly and frequently, and be well attended by all the members of the Board. At these meetings the officers should be required to make full, complete and intelligent reports in such form and detail as to be easily understood by the directors. All loans and important transactions should be reported and passed upon, and especially all notes and securities should be submitted for the personal inspection of the members of the Board who are not active officers. All loans to officers and directors should be more closely scrutinized and examined than any others, and the amount of their total liabilities clearly understood. In addition to such exhibitions as are made at regular meetings, the directors should have frequent thorough

examinations made by committees of the Board, or experts employed for the purpose. These should be made independently of the active officers of the bank.

Every clerk and every officer of the bank should be examined and checked up as thoroughly as possible, and required to show the Examining Committee or auditor just how the matters in his charge stand. No man who is in a position of trust has any right to resent such an examination, and one who has a proper appreciation of the relation he bears to those who have reposed trust and confidence in him will welcome such an opportunity to show that he has been faithful and efficient. If all the boards of bank directors would do their full duty in the way here outlined, bank failures would almost come to an end. Banks would, of course, make losses, and occasionally one might fail, but it would be rare, and the result of very unusually bad judgment and incapable management. We would very seldom have such sudden and sensational failures of banks, looted from the inside by men who have stood high in their communities, and even thought to be models of honesty and trustworthiness.

The point I wish to emphasize is that the responsibility for bank management is by law placed upon the Board of Directors. By accepting a place on a bank board and taking the oath of office, a man accepts this responsibility and swears he will diligently and honestly administer the affairs of the Association. He is under every moral and legal obligation to perform this duty fully and completely. It is certainly not asking too much of men who accept such trusts that they simply do their plain sworn duty and obey the laws.

This would seem to be a particularly opportune time for a vigorous self-searching among the directors of the banks of the country, as well as all other men who are in places of financial trust and responsibility.

Recent disclosures of the most disgraceful betrayal of trusts by men in the highest positions and the use of these very positions for private gain at the expense of those whom it was their sacred duty to protect, have put the American financier on trial before the country and the world. Not only those who usually are interested in such matters, but all the people of the country are asking: "If these men are not to be trusted, who is?" "If this much is true, how much more must there not be?" It is only a natural inquiry whether in the contest for wealth and power the American financial conscience has become deadened and the old ideals of honor and truth have given way to a newer code.

It is a shame, a disgrace, a national misfortune, that such things could have happened when and where they did, but it is a great good fortune that through a quarrel over the spoils the knavery has been discovered. Unknown, or only suspected, such things are the greatest danger, but their discovery and exposure makes it possible to reform them. The more complete the exposure the more certain the reform. A director or officer of any bank, no matter how small or obscure, holds the same relation to his trust that these men held to theirs, which differ only in size. There is probably not a man here, certainly no member of the American Bankers' Association, who is not the guardian of some trust reposed in him by those who thus depend on his honor and fidelity. We are all responsible in some degree. It is not enough that we cry out for the punishment of those who have been caught in the act. Our duty lies in the faithful discharge of the obligations resting upon us. The upholding of the reputation and character of the banking institutions of the country is in our care and depends on each man doing his full duty.

"The Scotch System of Banking."

By ROBERT BLYTH, General Manager Union Bank of Scotland, Ltd., Glasgow.

For the proper understanding of the characteristic features of the Scotch system of banking a short historical record is almost essential. It will, in this paper, be condensed within the narrowest limits.

In the beginning of the eighteenth century, when Scotchmen had been provided with their first bank, and had no experience to guide them in its management, the country was not only poor; the population was also small. It probably did not exceed 1,000,000. The city of Glasgow had a population of 12,500. Now it is three-fourths of a million. The trade of the country was insignificant. Money was scarce; it is thought that there was not half a million of coin in the whole country. For the first half of the eighteenth century poverty and lack of enterprise on the part of Scotchmen left some of the chief trade in the hands of foreigners. It was not until after the middle of the century that Scotch industries were developed and the national revenue increased.

Merchants who traded in many kinds of goods sometimes traded also in money; they took it on deposit in limited amounts and for fixed periods at agreed upon rates of interest, and they had customers to whom they lent it at higher rates. This was all that Scotch traders had in the way of bankers up to the close of the seventeenth century. It was in the year 1695 that the Scotch Parliament granted to the Bank of Scotland, which was founded in that year, power to borrow and lend money at interest. Its business was to be restricted solely to dealing in money; it was prohibited from trading in goods. Its right to issue notes was implied rather than expressed. Its charter gave it a monopoly for twenty-one years. Its paid-up capital was only £10,000. The Royal Bank of Scotland, the next bank founded, was incorporated in 1727. During the eighteenth century there was only one other bank incorporated by charter, the British Linen Company; this was in the year 1746. These three banks have made various attempts to establish branches in the provinces, but it was after the middle of the century before they succeeded. There are now ten banks in Scotland. About nine-tenths of the business, however, is done by the seven large banks whose head offices are in Edinburgh and Glasgow.

The chief characteristic feature of the Scotch system of banking is the right of issue of the one pound note. Before the Bank of Scotland was founded there was no paper currency. It began to issue notes forthwith for £100, £50, £20, £10 and £5. Nine years afterwards it issued one pound notes for the first time, but prior to the union of England and Scotland under one Parliament in 1707, the amount of these notes in circulation was not great. The privilege of the right of issue has always been recognized.

One of the outcomes of the great panic of the year 1825 was the abolition in England, in 1826, of the one pound note. But the old note of Scotland was so dear to the people, and their demand for it was so clamant, the Government abandoned its resolution to extend the abolition to Scotland. Sir Walter Scott fiercely attacked the proposal to steal from us our right to our paper currency. To him probably more than to any one, we are indebted for our small note.

The committee of both Houses of Parliament in 1826 appointed to inquire into the matter of the bank failures, of which there had been a long and dreadful catalogue, and which were attributed to the issue of one pound notes by the country bankers in England, reported in favor of the abolition in England, and against the abolition in Scotland. "With respect to Scotland," said the report of the Lords, "it is to be remarked that during

the period from 1766 to 1797, when no small notes were by law issuable in England, the portion of the currency of Scotland in which payments under five pounds were made continued to consist almost entirely of notes of £1 or £1 1s., and that no inconvenience is known to have resulted from this difference in the currency of the two countries. . . . The banks in Scotland have for more than a quarter of a century exhibited a stability which the committee believe to have been unexampled in the history of banking; . . . they supported themselves from 1797 to 1812 without any protection from the restriction by which the Bank of England and that of Ireland were relieved from cash payments; there was little demand for gold during the late embarrassments, and the whole period of their establishment there are not more than two or three instances of bankruptcy. As during the whole of this period a long portion of their issues consisted almost entirely of notes not exceeding £1 or £1 1s., there is the strongest reason for concluding that, as far as respects the banks of Scotland, the issue of paper of that description has been compatible with the highest degree of solidity; and that there is not, therefore, while they are conducted upon their present system, sufficient ground for proposing any alteration, with the view of adding to the solidity which has been so long sufficiently established." The report of the Commons was also adverse to any legislative interference with Scotch banking.

Prior to 1826 the difference between the English and Scotch systems arose mainly out of the comparative wealth and poverty of the two countries, and in the adoption in the poorer country of the cash credit substitute for the want of capital. But after 1826 there is a new element of difference. At first sight it is inconceivable that the systems of banking should be as greatly affected as they have been by the abolition of the use of one pound notes in England. It is, nevertheless, a fact that since 1826 the main currency of England has been metallic; in Scotland it has been a paper currency with little gold in circulation.

Our present system of banking, so far as the right of issue is concerned, dates back sixty years. The act of 1845 continued to Scotland the one pound note, and it provided that the amount of paper note money not represented by coin or bullion should be fixed, and that every note issued above the limit assigned to the existing banks should be represented by coin or bullion. In England legislation had taken a different course; the note issues of the country banks were rigidly fixed—there was to be no further issue no matter how much coin or bullion was held. This, then, was the difference. The issue of notes by the Scotch banks was to be without limit, so long as the excess of the authorized limit was represented by bullion, the authorized limit in England was not to be exceeded in any circumstances whatever. The authorized circulation granted by the act of 1845 to the banks then existing was based on the average circulation for the year ending May 1, 1845. After that no other bank might issue notes. As a check on the true amount in circulation a certified account had to be sent to the Government Commissioners of Stamps and Taxes weekly, distinguishing notes of five pounds and upwards from notes of one pound. The certified account had to include a note of gold and silver coin held. Every four weeks a note must be sent of the average circulation, and average coin held. The silver coin must not exceed one-fourth of the gold coin. By this act notes for less than 20s. are not negotiable. Our system of note issue has not been altered since 1845. The aggregate circulation de-

depends upon the public demand for this form of paper currency. There is an elasticity in our circulation which the National Banks of America must envy. We have no artificial, objectionable, and, we venture to think, quite unnecessary limits, as to the gross circulation, the proportion of small notes and large, or the withdrawal of circulation. During the last thirty years it has fluctuated between five and eight millions sterling. The note issue is not secured by the purchase of Government bonds, or in any other way. Nor are we compelled, as the Bank of England is, to keep our issue department separate from our banking department. In the event of the bankruptcy of a bank the holders of notes have no priority over ordinary depositors.

The thirty-four private and joint stock banks in England have authorized fixed issues of 1,755,952. The ten joint stock banks in Scotland have authorized issue of 2,676,350. But now comes the striking difference between the two countries. The English banks do not appreciate the value of the right of issue and provincial issues are likely to become extinct; the Scotch banks do. In England the average circulation of notes, exclusive, of course, of Bank of England notes, is only about 590,000; in Scotland it is about 7,500,000. The average circulation in 1904 was 7,643,000, of which about *seventy per cent.* were one pound notes and thirty per cent. were large notes. In England the average circulation is not one-half of the authorized issue; in the case of private banks not one-third. In Scotland, on the other hand, the average circulation is more than three times the amount of the fixed issues. Now, wherein do Scotch banks find the value of the one pound note? Many people say that the mere cost of the paper and the printing of the notes is so small an item in the expenses of the management the banks make a considerable profit from the interest earned on the amount of notes in circulation. But this is a mistake. In the first place the cost of the note issued is greater than is supposed. It is merely a matter of paper and printing, there is the Government duty, and there is also the Government license required to be paid in respect of every "place" where bank notes are issued, and there are other charges affecting the circulation. It is in another quarter altogether that the Scotch banks find the value of the one pound note. It is the *unissued notes* in the tills of the branch offices, forming the till money at more than one thousand branches, wherein the real value lies. Without them the banks would require to keep eight or ten millions of gold coin, not as a reserve, but as till money. *It is these one pound notes which have enabled branch offices to be planted in every part of the country.* There is no such network of branch banks in any other country in the world. It is at these offices that we have collected the savings of the country from hundreds of thousands of small depositors. With a metallic currency and Bank of England £5 notes, branches could not have been profitably established in country districts. The cost would have been prohibitive. It is the one-pound note which has enabled the banks to go right down among the masses, and made banking possible to the greatest number. It is the one pound note which has brought the officers to their doors, and tempted them to go in with their savings and deposit them securely and at interest. The aggregate deposits placed with the ten Banks in Scotland now amount to more than £100,000,000 (\$500,000,000). It is not the poor country it was; it has grown rich by saving and the system of planting branches has fostered the saving.

In Scotland, at an early period, the discovery was made that a great number of small accounts formed the basis of a much more valuable business than a small number of large accounts. Branches of banks were opened in small towns and villages, with a view, primarily, to collecting the savings of the people over a wide area, and, secondarily, to assisting small traders and fostering small struggling industries in districts which wealthier England would not have thought important enough for a bank's consideration. The Scotch, I venture to think,

have in this matter been wiser than the English, and wiser than our neighbors on the Continent of Europe. The deposits collected in country places and in the outskirts of cities have quite warranted the existence of the bank's branches.

I have perhaps enlarged over much on the value of the right of issue, but it is to be kept in mind that down to 1826 the issue of notes was regarded as *the* essential characteristic of banking business in Scotland. The amount of notes issued is now only 7½ per cent. of the amount of deposits.

Another chief characteristic feature of the Scotch system of banking is what is known as cash credit accounts. They date back to early in the eighteenth century; they were peculiarly suitable to a poor country, where capital was not available in its ordinary form, such as coin, or tangible and readily convertible securities. The idea at the basis of a cash credit account is this; a trader or a manufacturer has insufficient capital for the profitable conduct of his business; he has friends willing to help him temporarily; they are not required to give this help in the form of coin, or a check, nor are they asked to pay with their securities; they give him the use of their names; they become responsible along with him to the bank for an agreed upon amount; they sign along with him a cash credit bond. As soon as the bond is executed and returned to the bank, the trader or manufacturer or other person who is to have the benefit of the cash credit is entitled to cash checks on the account up to, but not exceeding, the amount stated in the bond. He gets the money from the bank just as he needs it; he is not obliged to take the full amount as a loan and to pay interest on the full amount. It is not a loan, it is an operative account, bearing interest from day to day on the amount drawn from the bank. It is simply an ordinary deposit account reversed; the bank has become the creditor, not the debtor. The customer instead of receiving interest on the daily balance at his credit, pays interest on the daily balance at his debit. And, inasmuch as it is not what is called an overdrawn account, but a *secured account*, the borrower gets the benefit of a reduced rate of interest. This system of lending money to the manufacturing and trading communities was found to work so well it was adopted by all the banks. Their balance sheets showed that their loans upon cash credit bonds formed a large part of their business. No one will deny that the industries of the country would develop by these cash credit arrangements. It needed capital to sink its coal pits, to build its factories and its furnaces, to finance its imports and its exports, to build ships; in a word, to create and develop industries which are now the source of the country's wealth. "Cash credits are applicable to a class of transactions totally different from those which give rise to bills of exchange; one difference being that bills of exchange arise out of the transfer of commodities and are payable in one sum at a fixed date, while cash credits are not issued on the transfer of commodities, or on any previous transactions, and are not repayable in one sum at a fixed date, but are a continuous working account."

There is no doubt that in Scotland the old cash credit account, guaranteed by two or more good names, is not so extensively used now as formerly. It has been to some extent superseded by other forms of credit. And this characteristic feature of our system of banking has also been adopted, in modified forms, by English bankers. I am not aware that it has been adopted, *pure and simple*, by any English bank. The result of my inquiry rather tends to show that in England there are stipulations and conditions and annual charges attached to personally guaranteed accounts, which are wholly unknown in Scotland.

The chief characteristic features of Scotch banking then, are (1) its right of issue, (2) its branch system, made possible by the one pound note, and (3) its mode of making advances on what is known as the Cash Credit account. Owing to there being only ten banks in Scot-

land, they have another distinctive and very important feature; they have a fixed tariff of charges for interest, discount and commission. They agree among themselves to charge uniform rates, which vary with the Bank of England official rate. This the English banks (or American National Banks) from their very number could never do. There are many minor differences between English and Scotch banking.

There are 1136 branch banks in Scotland, for a population of $4\frac{1}{2}$ millions—that is, a bank office established for every 4000 of the population. In England it is a bank for every 7300 of the population. A quarter of a century ago the difference was much greater. The Scotch banks and their many branches are all managed from ten head offices. This has made it possible for them to act together and conduct their general business on similar lines throughout the *whole of Scotland*. The knowledge circulated among the banks by mutual co-operation has been of great value, in checking undue speculation and the discount of fictitious bills.

In Scotch banking there is no special feature, so far as the discounting of bills is concerned, or the granting of advances against security, or the giving of unsecured overdrafts.

It may be well to explain how we provide against a sudden and unexpected withdrawal of deposits, or extraordinary presentation in time of panic of our note issue; in short, a run on the bank. First of all, there are the gold sovereigns in the bank's own safes, which may amount to \$5,000,000, held against the notes in question, but not legally hypothecated. Secondly, the Scotch banks all keep large balances at the Bank of England, and with other London bankers. Thirdly, they lend large amounts to London bill brokers, at call, or at three or four days' notice, and in security of these loans they hold batches of bank bills duly indorsed, or a mixture of bank and trade bills, the latter being *approved*; or, in other

words, the best paper of its kind. Fourthly, the banks lend large sums also to London stock brokers from account to account—that is, for periods of fourteen days—and in security there are held stocks and shares duly transferred to the banks, and greater in value than the amount of the loans.

In addition to these four lines of defense, all the banks have large holdings of British Government and other gilt-edged and immediately realizable securities, realizable on the London market on a day's notice. It may probably be taken as approximately correct to say that the Scotch banks have about 50 per cent. of their whole liabilities covered by the five lines of defense just mentioned. The other half of their deposits, capital and reserve funds, is lent out on bills discounted, cash credits, overdrafts with or without security and loans to customers on Stock Exchange or other securities.

We have seen that the Scotch banks have done much for the development of the industries of the country. They have also done well for their shareholders. Their paid-up capital in 1904 was \$9,302,000; their surplus reserve funds \$8,021,000—that is, 86 per cent. of their capital. After deduction of 4 per cent. interest on capital and reserves, the banks earned a further profit of fully 10 per cent. on their capital, or about 18s. 7d. per cent. on their deposits. In the matter of market values, too, the shares stand relatively high; those of the Scotch banks last year stood, overhead, at 234 per cent., as against English joint stock banks 222 per cent. and Irish banks 196 per cent.

During the last half century there were two bank failures, the Western Bank of Scotland in 1857 and the City of Glasgow Bank in 1878, both owing to reckless departures from the recognized rules of banking. The shareholders suffered very seriously, but the depositors and holders of notes were paid in full.

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Transportation, its availability on equal terms to every one, its extension by every legitimate means, is one of the great questions. It would be idle to raise wheat or corn or cotton or to mine iron ore and copper, raise cattle or bring forth any of the products of the forest, the farm or the factory, without that exchange which depends primarily, almost absolutely, on transportation. Broadly speaking, commerce is transportation. Within our own country we are solving, and there are signs that as a people we are going on to solve honestly, courageously and for abiding good, those problems of transportation which grow more difficult, require more earnest attention, demand greater courage, as we advance from crude, elemental conditions. We in the Great Lakes region boast cheapest transportation in ships, which bear comparison with any in the world, with credit of being the finest working fleet afloat, and this beyond fair argument has come through direct Government support of the coasting laws and money to so improve our channels that a modern freighter carries in a trip what her prototype carries in an eight months' season of navigation. But this is not all. Our ship is aided by terminal facilities to load her ten or twelve thousand tons in a couple of hours and unload it within five hours, or, speaking of ordinary practice, to load in a few hours and discharge within a day. So has come an output of thirty-five million tons of iron ore, eighty to eighty-five per cent. in the production of the pig iron of the country this year, which will exceed that of England, France and Germany combined; but with this has gone the opening of the great harvest fields, which in thirty-five years, with advantage of freight rates, increased their lake shipment from twelve and one-half to over three hundred million bushels, with corresponding movement of coal and other products. But transportation, commerce, intercommunication, collocation of business have made it so that there can be no partial, local thrift.

While we do these things on the Lakes, the South produces and manufactures from cotton; timber grows throughout the country; wheat in the Northwest is matched by corn in the Southwest; manufactures extend through the land. Our interests so intermingle that even the question of tariff may hardly in any sense now be local in effect; everything bearing on the commercial life of this people is so coming to be of general consequence that a man may no longer expect to be heard with patience on the merits, wants or demands of any section without full regard to its general effect. He is narrow indeed who cannot look out over our common heritage and realize that there could be no such prosperity, none of the good things doing in any part, except the people of a common country, following out their particular opportunities, are doing well.

Great results are seen on other internal waterways to which attention of the people will be directed until equal, or even greater, benefit may be shown. Our railroads, hauling freight at less than half the cost of any other country, are improving their service by reducing grades and, so far as possible, taking out the crookedness of the tracks, and the American people are going forward in determined spirit with President Roosevelt and the Congress to remove, so far as possible, any other crookedness.

We have a home market in which figures go almost beyond understanding, but it is no longer possible to stop at the confines of our own country. While in the beginning we imported manufactured goods and sent out rudimentary products, more and more we are using raw

materials in manufacture; thirty-five per cent. of our population is urban, and it is an open prediction that in a few years the United States will not produce food stuffs beyond the needs of our own people; while steadily our more distinctly world-competitive manufactures are increasing in the export list.

We have pacified Cuba; Secretary Taft believes that the Philippines must be a charge for a generation; we are starting to build a world canal at the Isthmus; our President, with general acclaim, has been drawn into the settlement of one of the great wars of history and therein reflected honor and glory upon the nation. We have a great and growing navy, for which the nation can afford to furnish money almost without stint, but are embarrassed in finding officers and men, because while ships can be built to order as money is available, sailors require time in their training. We have come to be a truly great nation, ready, able and, withal, willing, to take first place in the world markets, but deserving and requiring, from a purely economic standpoint, an efficient system of delivering our goods abroad; and yet we remain dependent on rivals in trade to carry our world-competitive goods abroad for introduction and sale, while the overwhelming testimony of business men all over the United States is that this is poor trade policy; that our trade is seriously handicapped, and many producers have abandoned the foreign field because of unreliable and unsatisfactory service and discouragement of American goods.

That satisfactory service will or can come without some form of Government aid cannot longer be claimed with any show of fairness. According to official figures, the carrying capacity of ships in the world between 1890 and 1904 increased from under forty-four million to seventy-six and one-half million tons. In this interim England increased from twenty-four to thirty-eight and a half millions; Germany from three and a third to nearly seven and two-thirds millions; France from two and a quarter to three millions; Norway from two to three and a third millions; Japan from one hundred and fifty thousand to eight hundred and thirty thousand tons. Statistics before me give tonnage in Custom House measurement for the United States, which may be a little more than doubled to get actual carrying capacity. These show that we had (Custom House measurement), in 1861, two and a half millions in foreign trade, which had run down in 1890 to a million tons, and in 1904 to eight hundred and eighty-eight thousand tons. Despite any argument to the contrary, the other countries, aside from the facts of cheaper construction and operation through cheaper labor, have given definite aid in their foreign shipping, and it is incorrect to say that this has been confined to mere mail carriage.

On the other hand, our coasting enrolled tonnage, which has had the support of the coasting laws, has increased from three and a third millions in 1890 to five and a third millions in 1904. To this may be added that of the Great Lakes, where increase of size and draft has been made possible by Government improvement of channels, and the tonnage (Custom House measurement) increased from one million tons in 1890 to two million tons in 1894, and there are now building and under contract for this trade more and better ships than ever before in the United States for any trade. And there is not, and for months has not been a single ship of any size or description building in the United States for foreign trade, where the American people pay nearly two hundred million dollars annual freights against a quarter of that sum on the Great Lakes.

We are so abjectly dependent on foreign rivals in trade that our flag has almost disappeared and is disappearing from the ocean. Only through apathy of our people, unmatched and not rivaled in world history, nourished and lulled into soft acquiescence by specious argument of our opponents in the shipping interest, can it be that, when the United States shall have spent a possible five hundred millions for a commercial canal across the Isthmus, our flag shall go through that canal only on an occasional man-of-war or millionaire's yacht.

Our League opposes this condition and any argument, thoughtless or intentional, tending to such consummation.

In wars between maritime powers an important duty of the navy has been to convoy merchant ships. If we let things go on as they are we certainly will not have enough merchant ships to go around for this purpose.

The fact is that our foreign marine has been strangled nearly out of existence. There are those who in apparent sincerity say that the carrying of a nation's goods and the building up of its merchant marine are matters of price simply, and that it is better to get the work done at the cheapest rate, taking our chances in time of need upon our ability to pay any price exacted. And these advocates point also to the fact that already American capital has been invested and the avenue of investment is open in foreign ships to be operated under a foreign flag with foreign officers and men. This may redound to the advantage of some who have the money to invest, but it is destructive of the entire theory that our Government exists for the whole people. While opponents of an American merchant marine are saying this we see each year that we pay over to foreigners about \$180,000,000 in freights, of which a good share should be circulated in this country, as are the freights paid in the internal land and marine commerce of the United States. Passing through the builder, the operator, the repairer, the furnisher of ships and all the allied branches of industry and their employees, it should go into the commercial strength of the nation, and the ultimate argument of our opponents is that this cannot or should not be done because that involves conditions and wages of American citizens, which are better than those abroad. Even in this they ignore the fact and reasonable hope that with American wages and conditions of living, shown in internal transportation on land and water, we have the cheapest transportation in the world, and may with fair encouragement and a proper start do this again on the seas and so lay forever the ghost of "subsidy."

Humiliating as it is to our national pride, opposing all commercial history, costly as the experience has proven of dependence on the foreign rival for transportation and introduction of our products abroad, there might still remain some shred of argument based on cheapness at expense of progress in trade if the question could with semblance of propriety be permitted to revolve round and turn upon this simple minor element in a complex problem.

This country has not only to admit that, following consistently a system of protection in trade, it has neglected the shipping industry, which should have prospered with the rest of our interests and has been prevented by discrimination, however induced, but that this has been done against the example of free trade nations, who uniformly have selected the shipping interests, for reasons of far-reaching national importance, as the one single interest to be maintained and encouraged at any proper cost by that country which can have a merchant marine and would keep its place on the seas.

Adam Smith in his "Wealth of Nations," said:

"There seems to be, however, two cases in which it will generally be advantageous to lay some burden upon foreign, for the encouragement of domestic industry. The first is when some particular industry is necessary for the defense of the country. The defense of Great Britain, for example, depends very much upon the number of its sailors and shipping. The act of navigation therefore very properly endeavors to give the sailors and shipping

of Great Britain the monopoly of the trade of their own country, in some cases by absolute prohibitions, and in others by heavy burdens upon the shipping of foreign countries."

John Stuart Mill, another world renowned writer on free trade and economics, says:

"The Navigation Laws were grounded in theory and profession on the necessity of keeping up a 'nursery of seamen' for the navy. On this last subject I at once admit that the object is worth the sacrifice, and that a country exposed to invasion by sea if it cannot otherwise have sufficient ships and sailors of its own to secure the means of manning on an emergency an adequate fleet, is quite right in obtaining those means, even at an economical sacrifice in point of cheapness of transport. When the English Navigation Laws were enacted the Dutch, from their maritime skill and their low rate of profit at home, were able to carry for other nations, England included, at cheaper rates than those nations could carry for themselves, which placed all other countries at a great comparative disadvantage in obtaining experienced seamen for their ships of war. The Navigation Laws by which this deficiency was remedied, and at the same time a blow struck against the maritime power of a nation with which England was then frequently engaged in hostilities, were probably, though economically disadvantageous, politically expedient."

In 1890 there was what the *North American Review* described as a duel between Mr. Gladstone and Mr. Blaine, one for free trade, the other for protection. On page 49 of the January number of that magazine Mr. Blaine uses this language, and I may be pardoned for quoting at some length:

"Mr. Gladstone, however, commits himself to the principle that 'all protection is morally bad.' If this has been his belief ever since he became an advocate of free trade his conscience must have received many and severe wounds, as session after session while Chancellor of the Exchequer he carried through Parliament a bounty—may I not say a direct protection?—of one hundred and eighty thousand pounds sterling to a line of steamers running between England and the United States, a protection that began six years before free trade was proclaimed in England manufactures and continued nearly twenty years after. In the whole period of twenty-five years an aggregate of many millions of dollars was paid out to protect the English line against all competition.

"It may be argued that this sum was paid for carrying the Anglo-American mails, but that argument will not avail a free trader, because steamers of other nationalities stood ready to carry the mails at a far cheaper rate. Nay, a few years ago, possibly when Mr. Gladstone was Premier of England, public bids were asked to carry the Anglo-Indian mails. A French line offered a lower amount than any English line, but the English Government disregarded the French bid and gave the contract to the Peninsular & Oriental Line, owned by a well-known English company. Still later, the German Lloyd Company contracted to carry the Anglo-American mails cheaper than any English line offered and the German company actually began to perform the duty, but Englishmen did not want that kind of free trade and they broke the contract with the German Line, and again gave protection to the English ships. Does not this justify the opinion that the English policy of free trade is urged where England can hold the fields against rivals, and that when competition leaves her behind she repudiates free trade and substitutes the most pronounced form of protection?"

I have it from the management of the "North American Review" that Mr. Gladstone never in any manner answered the challenge, but the English nation has responded in the contract provisions for the new Cunard steamers. When metal ship building came in vogue and the United Kingdom could produce more cheaply than elsewhere the free ship policy was adopted in that country. Germany has been going forward in ship build-

ing and operation in a wonderful degree, and it has come to be a question, with the balance somewhat favoring Germany, whether it is cheaper to build the so-called ocean greyhound in Germany or in England. When the British Government, therefore, two years ago entered into a contract with the Cunard Line to furnish thirteen millions of dollars to build two ships and give a subsidy of over a million dollars a year for their operation, the British Government, for the first time in fifty years, stipulated that those ships should be built in the United Kingdom.

An English writer, a member of Parliament, Mr. J. Henniker Heaton, speaking of the British practice, said:

"For many years the American mails (as well as American goods) were carried to Europe almost exclusively in British vessels. Early in the century the British Government adopted the sagacious policy of subsidizing the shipping companies which ran vessels to the colonies and the foreign countries. Infant settlements like those at Port Jackson and Sydney or the Cape could not, of course, supply trade enough to make the voyages remunerative, and now that such settlements have shot up into rich and powerful colonies the subsidies are continued on a more lavish scale on two conditions: First, that the subsidized vessels be constructed so as to be easily converted into cruisers in case of war; second, that they shall carry the mails. This policy of state aid was so brilliantly successful in developing trade and maintaining the supremacy of the British mercantile marine that it was adopted in turn by all the great powers, with the single exception, until quite recently, of the United States. As American ships were not subsidized their vessels could not compete with the Cunard and other companies, the art of shipbuilding languished and the American carrying trade was transferred to foreign bottoms. In 1891 only 13 per cent. of the exports from the United States was carried in American ships, which at one time had engrossed 90 per cent. As a consequence of refusing five millions a year in subsidies during thirty years to native ship owners, or \$150,000,000, the United States had to pay in the same period no less than \$3,000,000,000 for freights, while their mercantile marine dwindled into insignificance. The fact that the country bore this heavy drain upon its earnings so long without feeling it—as if it had been a flea-bite—affords the highest possible proof of its amazing vitality and vigor. At the same time, one is puzzled to understand why the proverbial shrewdness of the American, unfailingly exhibited in his private affairs, was missing for more than a generation in this important section of national business."

Captain Wilmot, of the Royal Navy, writing in 1892, said:

"When we passed from the old irregular method of manning the fleet and adopted the continuous service system (under which seamen enter for ten years, with the option of continuing at its expiration for a further similar period, followed by a pension), coupled with the entry and training of boys, a complete revolution was effected in this portion of the naval service. The delays of manning in peace time disappeared, and all uncertainty in the matter, when hostilities are apprehended, is removed. For a reserve in time of war we rely on 20,000 merchant seamen (now 30,000), who, though they have never served on board a man of war, are annually drilled to guns and small arms at various depots round the coast. How far the comparatively small number of highly trained seamen we maintain together with this somewhat uncertain reserve would supply the requirements of a protracted maritime war it is difficult to say. The waste, from many causes, would be very great if the struggle were severe, but seeing the number of men this country possesses who are, or have been, connected in some way with the sea, and who would be of great assistance when acting with trained seamen, I do not think that in this respect our resources will prove inadequate."

Without stopping to give the expression of American

Presidents and publicists, may I not reproduce the language of an official report of Thomas Jefferson over one hundred years ago, which has lost none of its force:

"Our navigation involves still higher considerations. As a branch of industry it is valuable, but as a resource of defense essential.

"Its value as a branch of industry is enhanced by the attendance of so many other branches on it. In times of general peace it multiplies competitors for employment in transportation, and so keeps that at its proper level; and in times of war—that is to say, when those nations who may be our principal carriers shall be at war with each other—if we have not within ourselves the means of transportation, our produce must be exported in belligerent vessels, at the increased expense of war freight and insurance, and the articles which will not bear that must perish on our hands.

"But it is as a resource of defense that our navigation will admit neither neglect nor forbearance. The position and circumstances of the United States leave them nothing to fear on their land board, and nothing to desire beyond their present rights. But on their seaboard they are open to injury, and they have there, too, a commerce which must be protected. This can only be done by possessing a respectable body of citizen seamen, and of artisans and establishment in readiness for shipbuilding."

A recent consular report gives account of changes in British and German tonnage in the past twenty years, and this succinctly is the record of British companies: One increased from 174,000 to 446,000 gross registered tonnage; another from 58,000 to 388,000; another from 175,000 to 326,000; another increased seven-fold to 312,000 tons; another from 96,000 to 298,000; another from 53,000 to 261,000; another from 51,000 to 254,000; another from 68,000 to 203,000. For the Germans, one line increased from 60,000 to 719,000, and another from 103,000 to 573,000.

From the general experience it may be taken that a foreign merchant marine is an essential element in the rounding out of the affairs of a nation which has a seacoast and the possibilities of foreign trade. We have a greater navigable seacoast than any other country in the world, and the greatest foreign trade of any country, and a growing necessity for introducing our world-competitive products. We have the humiliating spectacle that while in foreign bottoms we import more products from South America than they sell elsewhere, we have no adequate means of shipping to them the things which we have to sell and should sell in exchange. To the best customer in South America we have to send by way of Europe, and when any of us visit South America convenience requires that we go to Europe and from there to our near neighbor. Let us leave those gentlemen who are either content with this condition of things or think they will remedy themselves in some undefined way.

Now, as to the remedy. It must be understood that in our League there is absolutely no interest in favor of any particular remedy; that our purpose is the finding of a remedy and the best one. So, therefore, we are ready and willing and desire to approach this question of remedy without predilection in favor of particular means, without fear of words or definitions. Many people in this great country shiver and would have the nation hesitate and stutter over the word subsidy. We have gone through a lot of definitions since the Constitution was adopted, and it must, out of the reason of the thing, come to be a mere weakness for any man to say or write that he is opposed to subsidy *per se*. Among the remedies that have been suggested, and perhaps including all, are Free materials for shipbuilding, Free ships, Discriminating duties and Direct aid.

There are afloat in the country to-day those who say that our problem would be solved if the materials for building ships for foreign trade were admitted free and point to ship plate being sold for delivery abroad cheaper than at home, and who invoke the aid of tariff reform without appreciating that for some fifteen years all ma-

terial for building, furnishing and repairing any ship for the trade has been entirely free of any duty. This plan has been thoroughly tried and is exploded. Free ships, the right of going abroad and purchasing a ship wherever it might be built cheapest, does not seem to promise anything. Until foreign countries shall raise their wages and conditions of living or we shall, by some general process, reduce ours. It must be that wages and cost of operation of American ships, regardless of the percentage of Americans to be employed, shall be greater. If we can purchase ships abroad cheaper than in this country it is only so far as the labor in their construction costs less abroad. Here let it be said that by reason of the stifling of coast shipbuilding in this country shipyards are not able to standardize and so put into vogue those practices which in other lines of work have enabled us in this country to pay higher wages with better conditions and yet produce more cheaply, as our railroads under our conditions carry freight more cheaply than abroad. There seems no warrant in experience, analogy or acceptable argument for asserting that free ships would solve the problem. But by reason of the assertion the Congressional Commission made special inquiry upon this subject, and the universal testimony of men interested directly in shipping and the operation of ships was against, and overwhelmingly against, the proposition that this could afford relief. Discriminating duties in the beginning of this country doubtless aided very much at a time when we were an importing nation, exporting only food stuffs and raw materials which other countries required to have. Now we have gotten into a position and condition where practically half of all that comes into this country is on the free list. There is no export duty. And when we come to consider South and Central America, our nearest neighbors, barely ten per cent. of what comes to us now in foreign ships pays any duty. To you, who in dealing with general questions of business appreciate the absolute necessity of correct detail, I put the question: How would the plan of discriminating duties work out? In the first place, consider that anything shipped out of this country does not have any duty about it and the plan could not be applied there. In the next place, consider that two ships might load at a foreign port, one largely with dutiable goods, the other largely with goods free of duty; how would it be worked out in such a case? Not to detain you too far with detail, take the further case that in respect of goods which are dutiable one ship hauls 15,000 miles and another ship 1,500 miles; how is this to be worked out? I lay aside the political question of disturbing thirty-two working commercial treaties and ask you gentlemen when you go home to take up the question of discriminating duties as a purely business problem, and see if with no duties on exports, with 90 per cent. of our goods coming in free from South and Central America, half our goods from all over the world coming in free, with the duties laid precisely the same regardless of the distance traveled by the ship, how a system of discriminating duties could be devised which would be workable.

Our League has been in existence nearly a year. It was not formed to support the action of the Congressional Commission. In its first statement, made in advance of any report, we expressly reserved the right to criticize

anything which might be put forward by that Commission. But we find ourselves really in the condition of mind of the majority of the Commission, with perhaps a little more freedom of expression. That Commission went all about the United States, invited expression from every one willing to come before them, sifted it all and reached the conclusion unanimously that we need a merchant marine possibly less for the purpose of introducing trade abroad, important as that is, than for general safety of the country in having a fleet of our own to carry our goods independent of foreign complications, reliable for the continuance of our trade under suitable naval protection in case we might be involved in war and furnishing those adjuncts of the navy which every nation in the history of the world has found to justify all the other expense of a navy, that is to say, auxiliary ships and a sufficient resource for seamen when the test should come.

Time does not permit my going into the details of the bill proposed by the Commission. Your Congressman can furnish you with a copy or you can obtain it otherwise readily. Suffice it to say that the Commission, apparently regardless of the hobgoblin of subsidy, have provided for only a few lines and these only to South America and to the Orient. But they have heeded the cry which went over this country when other projects were before Congress, that what we most need is the delivery wagon style of ship, and provided a general subsidy, and I use the word "subsidy" because it is the familiar term and we should not fear definition but hold to substance.

The question of expense is of greatest importance, but most important as related to probable results. This country is now paying for rural free delivery thirteen millions a year, and for city free delivery twenty-one millions a year. This is for convenience of the people. A fraction of that sum would solve the problem of our foreign marine and supply a conceded necessity. Putting it another way, the price of a single battleship for the navy would more than meet the expense of a thorough experiment in rehabilitating our foreign merchant marine. Compared with the expenses which we are approving in connection with the Philippines, for our navy and army establishments and in the building of the world canal, the cost of a thorough test might be described as a "drop in the bucket."

I wish I might detain you with a discussion of the bill and of every feature of the bill. I would be glad if some one could present a better bill, but the sole point has been to lay this matter before this National body in the hope that you will go home thinking of the subject, believing that it is one of the most important subjects before the American people, and that you, through your large influence upon affairs in your homes, will be willing to aid in bringing the subject forward to help speed that day when our American trade shall go abroad under our Flag, peaceful emblem of excellence, of honesty, of fair dealing in trade and of manful, considerate power when needed, and all in the spirit of the toast.

The union of lakes, rivers and lands.
The union of States none can sever;
The union of hearts, the union of hands,
And the Flag of our Union forever.

Elements of Strength and of Weakness in the Situation.

By FRANK A. VANDERLIP, Vice-President National City Bank, New York City.

With almost unmixed satisfaction the members of the American Bankers' Association may contemplate the progress of financial events during the year which has elapsed since their last meeting. Little short of bewildering is the array of statistics which could be presented to demonstrate the rapid growth, sound development and satisfactory progress made in the commercial, financial and industrial fields. It is safe to assert that never before was our population so fully employed. Never before was the general level of wages so high, never before has the aggregate volume of industry been as great as it is to-day, never was the future of industrial activity so fully assured by advance orders. Never was the measure of commercial activity so large, and never before did such bountiful harvests meet such eager markets.

The total value of the agricultural crop of the United States will this year exceed by \$500,000,000 the average value of that crop during the last ten years. The money value on the farms of this season's crop will reach the staggering total of \$3,000,000,000. You of the West and South are close to the true meaning of these figures. To Eastern bankers such statistics are merely figures. Their aggregate is so vast that it is difficult to comprehend their true import. You who are closer to the fields, the granaries and the cotton presses, you who with your own eyes see the direct results of this flood of wealth, are more competent to comprehend its significance.

Under the influence of harvests less bountiful than this, following one another with providential regularity, in the last half dozen years, you have seen whole communities change in character. People whose only acquaintance with finance was their knowledge of mortgage payments made to absent creditors have been converted into commonwealths with surplus capital and investment capacity.

The whole great Mississippi Valley gives promise that at some day, distant perhaps, it will be another New England for investments. There is a developing bond market there which is of constant astonishment to Eastern dealers. You have seen the farmer in these half dozen years discover the uses of a bank account, deposit his income, pay off his mortgage, accumulate a surplus and actually become an investor in corporate securities. You have seen that sort of thing multiplied and repeated until the aggregate wealth of the Western and Southern States has become astounding, even to you who have taken an active part in its growth.

Now on top of these succeeding years of good harvests, good prices, intelligent liquidation of debts and thrifty accumulation of surplus comes the unprecedented figures of the value of this season's crop yield. Surely America is a country blessed.

The feature of agricultural life in these recent years has been great income, diminishing liabilities and the provision of ample working capital, with all the economies and advantages which ample working capital provides. These conditions have worked marvels in the way of prosperity for the agricultural communities. But prosperity is not confined to the farms. These same influences, large income, diminishing liabilities, and the provision of ample working capital, have been factors in the industrial field as well; we can find as great prosperity under shop roofs as in the fields. The days when industrial competition commonly reached a point of destructive severity are largely past. The days when narrowness of outlook and lack of co-ordination led to the wasteful duplication of plants and a vast unproductive expenditure of capital have given way to more intelli-

gent management. That destructive competition, that duplication of unproductive expenditure, led with unerring economic force to the industrial combinations which marked the last years of the century recently closed. The forces which led to these combinations were so irresistible that some industries were swept together under hastily considered plans. Combinations were made that were properly open to criticism. Heterogeneous elements were united in ways that meant inevitable friction. Diverse interests were brought together but could not in a day be harmonized. For a time there was doubt as to whether or not true wisdom had been shown by the men who formed these great industrial combinations.

Evidence has now accumulated, I believe, to warrant an answer to that question. We anticipated economies when these combinations were made, but we are only just beginning to understand something of the full advantage which may result from the national organization of certain industries. It took a little time to get these organizations running smoothly. It was not easy to find men with the broad economic insight which the management of such great enterprises required. When a nation meets a crisis men seem to be raised up ready for the tasks. When this country faced war we produced great military generals. To-day, when the crisis in the management of vast industrial combinations is upon us, we are producing great captains of industry. These managers are not all great administrators any more than the war officers were all great administrators, but I believe the world has never seen the parallel of the business genius which is coming into the work of organizing some of these great industrial combinations. Economies are being brought about that were not conceived of when these organizations were formed. The co-ordination of a whole field of industry, the organization and distribution of plants so that the industry is working under the least possible disadvantage in respect to transportation charges, the combination into such aggregates that expenditures may be made to effect small savings, or in introducing mechanical aids which would be impossible in small plants, but which on a large scale effect remarkable economies—all these developments are answering the question as to the wisdom of these combinations. The results are beginning to appear in the income accounts and balance sheets. The improvement there foreshadowed is, I believe, but an indication of what may yet come.

With the aid of a wealth of raw material and a genius for mechanical manipulation we developed a few years ago a capacity for industrial competition which startled the world. England, whose supremacy had been of such long standing that she rested in serene assurance, was crowded out of some of the international competitive markets. She was crowded to second place by America and then to third place by Germany. Our exports of manufactures doubled and doubled again and we had to be reckoned with in every international market.

Then came a halt. Europe awoke to the situation. She bought samples of our tools and duplicated them. She sent an army of investigators to study our methods. She arrested us in our commercial conquest. That halt is proving to have been only temporary. Again we are showing unexampled totals in our exports of manufactures. The present figures are substantially exceeding the totals which we made at the time Europe coined the phrase, "a commercial invasion." The reason for this

late improvement, this regaining of ground temporarily lost, this making of new records, lies in the perfection of industrial organization which has been made possible by the great combinations. I believe we are just started on a new "commercial invasion." We have the cheapest raw material, the most efficient labor, a pre-eminent ability in the adoption of mechanical aids, and all that is combined with what I believe to be transcendent genius for economic organization. The combination of these forces will, I conceive, be well nigh irresistible. The logic of this combination spells for us an unexampled development of foreign trade. All we need is intelligently to foster the possibilities. I am not giving rein to imagination. The cold figures of Government statistics show the beginning of this new industrial conquest. Comparisons of manufacturers' cost sheets reveal the possibilities of future successes. Our own homogeneous domestic market, as great as that of half of Europe, contrasts strikingly with the tariff-hampered field of European manufacturers. Our foreign competitors meet at every turn the obstacles of customs restrictions, of racial differences and national jealousies. This great homogeneous market of ours makes a solid foundation upon which our industries can stand while they reach out successfully into competitive fields.

The conquest of foreign markets will not be an easy one, however. We are likely to meet with defeat and failure at some points, caused by our failure to give proper attention to the business—and there are many examples of that in the past—or caused by a combination of obstacles which we cannot overcome. Perhaps we may see an example of the latter situation in the Far East. It is by no means certain that Japan is to stand courteously at the open door of Oriental trade and permit us to enter. We have seen in China what a racial boycott can do in interfering with trade totals. Oriental trade is not something won, but something to be striven for and there will be difficulty, defeat, disappointment and discouragement. Nor is the trade of Europe to be ours for the asking. The obstacles of tariff walls grow higher with every meeting of Continental Parliaments. The ability to compete with us increases as our methods are better comprehended. Germany has gone so far ahead of us in the proper education of the industrial classes that we may lose at times from that cause alone.

I do not mean that advantage is to come to us through disaster to others. We have perhaps more than our just measure of prosperity, but there seems, at the moment, to be good measure throughout the world. The world has withstood the financial strain of a war which cost the combatant nations two billion dollars. It has withstood that strain so easily that one is led to inquire how it has been possible that such a disaster should have produced no more unfortunate results. I believe the answer to that should be looked for in a quarter to which our academic friends have been giving some attention, but which has not as yet come to excite very great interest among practical financiers. It is not alone to the raisers of grain that nature has been bountiful of late. The mines of the world have been yielding treasure as lavishly as have our fields. In every day of this year, nineteen hundred and five, work days and feast days, holidays and Sundays, there will be drawn from the ground a million dollars of new gold. And then when the total is finally cast up there will be a number of odd millions to spare above that average. The mines of the world will produce this year \$375,000,000 of gold. The final figures for the production of gold in 1904 have recently been made and they footed \$347,000,000. We may reasonably look forward in the near future to an annual average output of \$400,000,000 of new gold for at least a considerable number of years. When we remember that in 1885 the production of gold was but \$115,000,000 we begin to get a comprehensive view of the significance of this increase. When we remember further that the entire monetary stock of gold in the world is about \$5,700,000,000 we can calculate that the output from the

mines in the next fourteen years promises to equal a total as great as the present monetary stock of gold. These figures are startling. They perhaps suggest the possibility of a disturbance of values. It does not follow, of course, that with the production of \$400,000,000 of gold per annum the monetary stocks will be increased by that amount. The uses of gold in the domestic arts draw off at least \$75,000,000 a year, but that will leave over \$300,000,000 a year to add to the gold reserves. So eminent an economist as Le Roy Beaulieu has estimated that the monetary stocks of the world will be doubled in twenty-five years. In the light of recent statistics of the output of production I have no doubt that he would modify that estimate and incline to the view that the monetary stocks will be doubled in twenty years.

What is this to mean to the business situation? What is to be its influence upon prices? What effect will it have upon money rates? These are no longer academic questions. They are practical considerations which need to be taken into account by business men. The great increase in gold production which has been in progress since the close of the Boer War has, in my opinion, been a factor in the rapid recovery from the depression of three years ago. At that time, through financial excesses and indiscretions, we had been led into a dangerous position. In Europe also the chilling effect of the great destruction of capital occasioned by that war was everywhere manifest. This new gold production pouring itself into the bank reserves of the world has been an influence in bringing about the quick recovery from depression and in withstanding the shock of the further destruction of capital which the Russo-Japanese War entailed.

The classical economists, Ricardo, Adam Smith and Mill, evolved the quantity theory of money. They held that the prices of things would vary with the quantity of money in existence. If the money stock were doubled, prices would be doubled; if the money stock were halved, prices would be cut in two. That theory has been proved to be inadequate. There are many other interfering circumstances and modifying conditions. Nevertheless there is economic truth and force in it. It is within the intimate knowledge of all of us that if our bank reserves are increased we are moved to increase our loans. A pressure to increase loans tends to reduce interest rates. Lower interest rates enhance the price of incoming paying securities. I think every one will accept, subject to important modifying conditions, the statement that an increase in the monetary supply has a tendency to advance prices. There may be other influences that will counteract in the final result. There can be no doubt, however, that with every million dollars of gold added to the bank reserves of the world there is a disposition to increase credit lines. That increase in credit lines in turn has its influence on the side of advancing prices. As a practical matter, however, I do not believe we are facing any economic revolution as a result of this influx of gold. We must remember that the growth of business may keep pace or even run ahead of the substantial growth in the gold reserve, so that in spite of actual increase the relative percentage of gold reserves to credit demand would leave prices unchanged.

The subject is a fascinating one, but at the outset it must be admitted that it is not one for accurate calculation and definite conclusion. There are a few considerations, however, and some popular misapprehensions in regard to it concerning which it would be well to have clear thinking. For example, it is rather commonly said a great increase in the gold supply will bring us to a permanently lower interest basis. That is a misconception. It is true that the first effect of gold additions to a bank reserve will be to lower the interest rate. That effect, however, is temporary. When the money supply has reached a permanent level, no matter how great the increase in it has been, the interest rate, other things remaining unchanged, will find its regular level. Inter-

est is but a payment in kind. If the value of money depreciates the value of interest payment depreciates as well. We need look for no permanently lower interest basis as a result of an increase in the money stock, but while that increase is in progress the reserves are being constantly augmented and the tendency would be toward lower rates.

There is another consideration which we should have clearly in mind. Disregarding for the moment all other influences, we may lay down the principle that an increase in the supply of money will tend to advance the price of real property, but the price of an obligation repayable in money will not tend to advance. That is to say that real estate and all forms of property, including shares of corporate stock, which represent an ownership in real property, would advance, but bonds, which represent only the right to demand a payment in money, would not advance. All persons having a fixed income would find the purchasing power of that income reduced. The return from mortgages and bonds would have a reduced purchasing power. Persons receiving fixed salaries and wage earners generally would be at a disadvantage, for their incomes would not tend to increase as rapidly as the purchasing power of their wages decreased. Under such a set of circumstances there would be constant pressure from wage earners in order to increase their incomes so as to keep pace with the advanced cost of living. Is not that exactly what we have been seeing and are we not likely to see more of that same pressure to advance wages as the cost of living advances?

These are tendencies which would become sharply manifest if there were not counteracting influences opposing them. That there are sure to be such counteracting influences goes without saying. I recall a conversation which I once had with the great German financier, von Siemens, the creator of the Deutsche Bank. The balances of trade in our favor had been climbing up from \$400,000,000 to \$500,000,000 and then had gone well beyond \$600,000,000, and it looked as if we might drain Europe of her whole monetary stock if that sort of thing was to go on. I asked Herr von Siemens what was to be the outcome for Europe. He replied with a well known German phrase, "A tree never quite grows to heaven." Events soon proved that this tree of favorable trade balances could not quite grow to heaven, although for the moment it did look as though it were likely to. And so with this increased production of gold which gives promise of doubling the monetary stock of the world in the next score of years. We might expect, if the theories of the classical economists held good, that with a doubling of the gold stock would come a doubling of prices. We can, however, be very certain that the theory will not entirely hold good. There will be counteracting influences. While there will undoubtedly be a tendency to advance prices as a result of this influx of gold into the bank reserves of the world, I do not believe the gold production is likely to become a serious menace. I do not believe that it will so disturb those business relations that are based upon the terms of money as to cause any vital derangement of affairs.

What I do believe is that there is likely to follow just what followed in the two former periods of the world's history when there was an extraordinary production of gold added to the monetary stocks. One of these periods followed the discovery of America, when the treasures of Mexico and Peru were exploited. The other was in the years following the discovery of gold in California and Australia. In each case a mighty impulse was given to the exploitation of virgin fields of development. It seems to me not improbable that the next few years will witness the expansion of the field of commercial enterprise into new places. Countries that are commercially and industrially backward will yield to this new influence. It seems to me that one of the direct and important effects of this great production of gold will be to give an impulse to the development and indus-

trial exploitation of South America, Africa, Asia and Eastern Europe. At our own hand is South America on one side and China and Japan on the other. We are rapidly awakening to the commercial possibilities within these countries. If we are to have an influx of gold more than ample to sustain the credit operations for our domestic affairs, that fact will tend to lead our interests into these new fields of exploitation. Then, in turn, a wider use of credit which these new fields will develop and the increased reserves which that wider use of credit will make necessary will probably absorb the increasing gold stock in beneficent uses, preventing it from ever becoming a serious menace to business organization.

The outlook is surely bright. What can hurt us? What dangers are ahead? With bountiful harvests, with lavish mineral production, with increasing financial strength, with wonderfully improved industrial organization, with a sound banking position, and with an impulse already given to every form of commercial activity, what is there to fear in the future? Is it clear sailing? Can we make commitments without fear of the future? Is the whole outlook into a cloudless financial horizon? An optimist might be forgiven for thinking that it ought to be. We have a good many elements of a firm foundation under our feet, but again we might quote the German phrase, "A tree never quite grows to heaven." Sure as we are of many of the substantial foundation stones upon which to rear a structure of prosperity, we may be quite as sure that there are dangers lurking in the situation. Some may be avoided, others will not. Some it is possible to foresee, others we will fail to recognize until we see their evil effects. Among those which we know exist there comes first to mind our illogical and unscientific currency system. We know that this system may at any time breed us trouble. We know that there is not a European financier of broad intelligence who, looking dispassionately from without at this currency system of ours, does not feel that it has in it dynamic possibilities for trouble even if other conditions are favorable. Indeed it is when all other conditions are most favorable that the danger is the greatest. Now, in the very fullness of the prosperity that we have, there might be a pitfall for us in that quarter. A strain is on our currency system. With our usual good luck we may avoid disaster, but it is the sort of time, nevertheless, when we ought clearly to see that we have a system which might endanger our banking position and retard most seriously our commercial development. We know that we are threatened by great social disorders; that the edict of a labor leader might change a cloudless outlook into an uncertain one. We know there is a disregard of law in labor unions and in corporation officers alike which is threatening to our welfare. We can, at the moment, clearly see that however prosperous conditions may appear this prosperity might receive a severe check should a speculative fever begin to rage. Should a stock market speculation start from the present high level of prices in the face of the extraordinary demand for capital and money which crops and business alike are making the result might easily be temporary disaster.

I have been emphasizing some of the bright sides of the picture, but there are shadows. In a gathering like this Jeremiad songs are not pleasant, but there are some that might be sung which would not be out of harmony with true conditions. Never was there a better time to preach conservatism; never perhaps was it easier to be carried away by some of the obvious features of prosperity and to forget some of the dangers which in the end will be quite as potent in shaping the ultimate result. "A tree never quite grows to heaven." Although there may be many favorable features to the outlook, it is no time for prudence to be cast to the wind; no time for speculative commitments which would yield disaster if temporary reverses came; no time for laxness in any of the forms of business prudence and conservatism.

The Benefits of Membership in the American Bankers' Association.

By WALKER HILL, President Mechanics-American National Bank, St. Louis.

In considering the benefits of membership in the American Bankers' Association it is proper to inquire into the origin and purposes of the Association, its daily work and the character of its membership; and there is no more appropriate place to consider the origin and purposes of the American Bankers' Association than the city of Washington, the Federal Capital of the country, for one of the principal purposes had in view in organizing the Association in 1875 was to aid the Federal Government in resuming specie payments, and it is not claiming too much to say that the Association gave most valuable aid to the Government in putting its currency on a gold basis.

Thus at the very beginning of its career this Association set before itself a wise and patriotic purpose, and from that day to this it as a body and its members as individuals have given freely to the Government valuable assistance in carrying out every financial measure which the Government has undertaken. Indeed, the aid which the members of this Association has given to the authorities officially charged with the financial interests of the country has been not only frequent and valuable, but in many instances that assistance has been practically indispensable, for had not the Government's proposals met with the approval of the American Bankers' Association and most of its members those proposals would have been so discredited, both in this country and abroad, that they would have been incapable of execution. This Association, therefore, has not only an honorable origin, but it has ever since taken a creditable part in the financial problems of this country. Indeed, there are few, if any, other similar Associations that have rendered more continuous and valuable services to the Government. Think for a moment how much simpler and more successfully met would have been the problems of that greatest of Treasury Secretaries, Salmon P. Chase, if he could have called to his assistance an organization such as is the American Bankers' Association of to-day. The daily work of this Association is of practical benefit to its members, though it may be impossible to measure that value in dollars and cents. But that the services of the Association in detecting and capturing criminals who prey on banks, and thus deterring crimes against banks, is of substantial pecuniary benefit to the members of this Association must be admitted. Those members who are the victims of some crime and find the cost of running down and prosecuting the criminal borne by this Association have a keen appreciation, which can be measured in dollars and cents, of the value of the membership in this Association.

But that those members who are not thus made to realize the value of their membership are nevertheless directly benefited through their membership there can be no question. The report of the "Protective Committee" leaves no doubt of the fact that membership in the American Bankers' Association protects to some extent against the criminal classes.

There may be some members who find in the work of the "Protective Committee" the principal value of their membership; but not all are of this opinion. That the work of this committee may be, and often is, of very

great pecuniary value to individual members is a feature of membership in the Association that all appreciate, but I believe that most of the members feel that if this committee were abolished and the work that it does altogether abandoned by the Association there would still remain important work for it to do and a material advantage in its membership.

Our friends, the lawyers, do not maintain Bar Associations to protect themselves against wrongdoers, but to elevate the standards of their profession and compel its members to observe their obligations to clients and their duties to the courts. And so the members of the American Bankers' Association must not consider the sole advantage of membership in it to lie in such protection as it may afford against the criminal classes. The Standing Committees on "Uniform Laws," "Currency Legislation," "Bankers' Money Orders" and "Education," as well as the "Protective Committee," do work of pecuniary value to the members of the Association.

If the American Bankers' Association had not originated in a patriotic purpose and had no proud past and its day to day work were of no value membership in it would yet be a distinct and positive advantage, for it must be worth a great deal to any man engaged in important work requiring intelligence and broad views to be associated with his successful fellow-workers, for in work of the kind referred to—and banking is of that kind—there is much of importance that can only be learned by association with those of character and ability who are engaged in the same work. And I venture to say that there is no Association in this country of the same general character as the American Bankers' Association whose members stand higher in point of character and ability, and have a better knowledge of their business and the conditions which affect it favorably or unfavorably, or who are actuated by a more patriotic spirit when their work affects the public than the members of the American Bankers' Association. I am equally positive in declaring that mere membership in any body composed of such men must be a distinct, if not a measurable, benefit to each member, and each member of such an Association should realize that he is benefited and should cultivate a feeling of pride in his membership.

The work of the American banker is extending farther and farther every day, and becoming more and more of public importance as the railroads bring all parts of the country closer and closer together and our flag rises here and there in far-away countries, and each day the need of the American banker for a better knowledge of distant peoples and more accurate information as to their ways and commercial needs and the routes of commerce and its laws increases; and membership in the American Bankers' Association will afford a means by which many of these needs can be easily acquired, for its members include many who know most about these things and are doing successfully the banking business of this country. And to whom else could one turn with more likelihood of receiving valuable aid in these matters?

But although you may not feel the need of that protection which the American Bankers' Association undoubtedly affords its members, nor attain through it a broader and a better view of the commerce of the coun-

try, it should give you a proper pride of caste, for when you consider the origin of the Association, the honorable part in the history of our country which bankers have played and the number and character of the members who now compose this Association you may properly feel that banking as conducted in the United States is a creditable calling and worthily represented by the American Bankers' Association, and feeling this, who can

deny you the pride which such reflections justly bring?

For these reasons and because the honorable and important business of banking in the United States should continue to be fittingly represented among the commercial bodies of the world let us maintain the character and importance of the American Bankers' Association, as evidenced by its origin, its history and the character and number of its members.

CHARTERED 1810.

MECHANICS NATIONAL BANK

33 WALL STREET

CAPITAL, - \$3,000,000
SURPLUS, - 3,000,000

GATES W. MCGARRAH, President

ALEXANDER E. ORR, 1st V.-Pres. NICHOLAS F. PALMER, 2d V.-Pres.

ANDREW A. KNOWLES, 3d V.-Pres. FRANK O. ROE, Cashier

ROBERT U. GRAFF, Assistant Cashier

DIRECTORS

William B. Boulton
Thomas P. Fowler
Horace E. Garth
Henry Hentz
Thomas H. Hubbard
Clarence H. Kelsey
William M. Kingsland

Andrew A. Knowles
Lowell Lincoln
Gates W. McGarrah
V. Everit Macy
Edgar L. Marston
Alexander E. Orr
Nicholas F. Palmer
Henry Talmadge

Charles M. Pratt
George W. Quintard
Anton A. Raven
William Rockefeller
John Sinclair
Henry B. Stokes
William C. Sturges
John T. Willets

Detailed Report of Proceedings.

THIRTY-FIRST ANNUAL CONVENTION, HELD IN WASHINGTON, OCTOBER 11th, 12th and 13th.

FIRST DAY'S PROCEEDINGS.

Wednesday, October 11, 1905.

New National Theatre.

The Convention was called to order by the President, E. F. Swinney, at 10 o'clock a.m.

Prayer by the Rev. Randolph H. McKim.

Almighty God, we invoke Thy presence and benediction in the exercises of this hour and upon the deliberations of this convention. It is meet and right, O Lord, that we should thank Thee for Thy abundant kindness and Thy gracious providence over us, Thy servants, and over all this people that we represent. Thou hast given us, O Lord, a land which is the glory of all lands, a land of abundance and of plenty, a land out of whose hills we have taken coal and iron and silver and gold, a land whose plains and valleys have poured into our laps the abundance of prosperity. Thou hast given us, O Lord, a great place among the nations of the earth. Thou hast given us liberty and justice and freedom and opportunity in this great land, and Thou hast set us on high among the peoples of the world to execute Thy trust and to do Thy will. Thou hast given us a ruler wise and brave and strong; through his instrumentality this nation has become the peacemaker among the nations of the world, saying to those who are at war one with another, "Sheath the sword and let there be peace and harmony." For all these Thy blessings, Almighty God, we praise and thank Thy holy name. May we never forget that all that we hath has been given us by Thee, and may we use Thy blessings and all these opportunities for the honor and glory of Thy name; and to our thanksgiving, Almighty God, we add the confession of our sin. Many of our people have set at nought Thy laws, they have broken Thy Sabbaths, they have despised Thy Word; righteousness has been in many places set aside, we have seen corruption in municipal life, corruption in commercial life, corruption in political life, corruption in business life; we have seen the rights of the widow and the orphan set aside, set at nought, trampled under foot. For these, our sins, Almighty God, we make our humble confession before Thee, and we supplicate Thy forgiving mercy and grace.

And now we ask for Thy blessing upon this people; may it be a wise and understanding people, recognizing its position and its part and its duty, and fulfilling the trust which Thou has committed unto it. May this great nation seek to understand Thy will and to remember that all its blessings come from Thy hand and all its mercies flow from Thy loving providence. And may it seek not only to be great and strong, but to be wise and humane and generous and gentle among the people of the world. We pray, Almighty God, that there may be high aims and noble endeavors among our people in all classes, in all ranks and all conditions of men. We pray that these people may be bound together not only by a common interest, but by a common noble aim which may lead them like a pillar of cloud by day, a pillar of fire by night, through the ages.

And now, O Lord, in particular we invoke Thy blessing upon this convention here assembled. Grant, we pray Thee, Almighty God, that it may recognize its responsibility, that it may realize its power, that it may see its opportunity, that it may be led on from one height of endeavor to another, ever setting before it the noblest, the highest and the purest aims. May it seek to be the protector of the poor and of the weak, of the widow and of the orphan. May its great power be exercised always for righteousness, for uprightness, for integrity and for the common weal. May its temples of business be also temples wherein righteousness and justice and kindness reign and rule supreme. May all of us, we beseech Thee, Almighty God, live according to Thy will; whether we eat or drink, whether we buy or sell, may we do all to the glory of God. May we serve God not only on Sunday, but on all the days of the week. May we recognize that the spirit of religion must be over all we do, in commercial life, in business life, as well as in our religious life. And so may this great body here assembled be a great power for righteousness, for good and for truth in this land. Grant these things we beseech Thee, Almighty God, and pour out upon us the spirit and wisdom and understanding that all things may be ordered and settled in this land upon the best and purest foundations, so that peace and happiness, truth and justice, religion and piety, may be established among us for all generations.

These things we ask in His name Who has taught us to pray and say, Our Father Who art in Heaven, hallowed be Thy name. Thy kingdom come Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil, for Thine is the kingdom and the power and the glory forever and forever. Amen.

The President: The bankers of Washington City have been saying to us that they were glad to see us. They will now tell us how glad they are to see us through Mr. John Joy Edson, President of the Bankers' Association of the District of Columbia.

Address of Welcome by John Joy Edson, President Bankers' Association of the District of Columbia.
Mr. President and Members of the American Bankers' Association:

The American Bankers' Association has held thirty annual Conventions since its organization, and this is the first time the City of Washington has been selected as a place of meeting. You have generally selected financial, commercial and manufacturing centers, which, no doubt, have proven attractive and instructive as well as pleasurable.

We of Washington are extremely gratified that this year we have the pleasure of receiving and entertaining the members of the Association at the National Capital.

While you are the special guests of the Bankers' Association of the District of Columbia, the citizens of Washington all unite with us in extending to you an earnest and cordial welcome.

Although commerce and manufacturing will not appeal to you here, there are other features, not existing in other cities, that will attract your attention.

Washington has become a center of art, literature, schools and universities, including all the departments of science, and above all it is the seat of the Government of the greatest republic in the world. Students in the various educational institutions are furnished unsurpassed opportunities to study the science of government—legislative, executive, judicial and diplomatic. Their instructors are largely those holding high positions in all branches of the Government, which fact is a distinctive practical advantage. Moreover, students generally have an excellent opportunity of observing the organization and operation of the Government.

Washington also has become pre-eminently attractive as an ideal residential city. You will find much that is unique and instructive and in which you as citizens of this country have taken a personal interest and pride, not only in what already exists, but in what is further to be promoted, on national lines, as the best and most appropriate for the beauty and dignity of the Nation's Capital.

The Bankers' Association of the District of Columbia was organized June, 1901, and has a membership consisting of twelve National Banks, four Trust Companies, four Savings Banks and five private banking firms—in all numbering twenty-five. We have found the organization productive of great good, not only in banking methods and procedure but in individual association, and in the establishment of cordial intercourse between its members. While we are fair, straightforward rivals, we are all friends. By reason of this Association we entertain for each other a higher respect; we sympathize with each other in mishaps and glory in each other's progress and prosperity. We know that the success of each institution insures for all the highest confidence and the best attainable service for the community.

In 1861 the population of the District of Columbia was 75,000. By the police census taken in April of this year is shown an increase of 248,000 and a total population of 323,000.

The National Currency Act was passed in 1863. In 1866, immediately after the war, there were in this city five National Banks, with a capital of \$1,350,000, deposits of \$1,448,000 and surplus and undivided profits of \$259,000, with resources and liabilities of \$7,131,000. In September, 1905, this year, in the last reports called for by the Comptroller of the Currency, it is shown that we have twelve National Banks and four Trust Companies, with a total capital of \$11,027,000, individual deposits of \$40,000,000, surplus and undivided profits of \$6,500,000,

with resources and liabilities amounting to \$70,000,000. These figures do not include Savings and private Banks, which do not report to the Comptroller of the Currency, and which if taken into account would add to the sum of deposits several millions of dollars.

The first Trust Companies were organized in 1889. There are four now doing business in the District of Columbia. They are the only Trust Companies in the United States organized under the laws of Congress and which are placed under the supervision of the Comptroller of the Currency. Reports are called for not less than five times a year, and two annual examinations are made by Bank Examiners, the same as required for National Banks.

This relation to the National Government is of great advantage to the companies and to the public.

We believe that while a considerable portion of the increase in the volume of deposits is attributable to an increase of population, as shown by the last census, and to the growth of all branches of business, it is certain, from an analysis of the figures given, that it is due also to a large increase in the percentage of population which has acquired a knowledge of and confidence in banking sufficient at least to open accounts and do a checking business. The results attained by the American Bankers' Association have long since proved the wisdom of its foundation. The deliberation and adoption of measures that tend to the best banking methods and involve the highest principles of banking, and lessons learned from addresses and papers by members of the Association and others eminent in finance, have increased public confidence and accuracy in transacting business.

This year some of the subjects on the programme for discussion are "Practical Banking Questions," "The Examination of Banks," "Our Commerce," "The Currency Question," "The Scotch System of Banking," "Accounts Opened by Two Persons," "The Growth and Status of Trust Companies in the United States," "Relations Between Banks and Trust Companies" and "Trust Company Loans and Investments." These subjects illustrate the scope and character of the instructions given to the general public and particularly to those interested in the management of financial institutions.

The meeting of the members and the acquaintance formed at these annual conferences have been also a great factor in establishing and increasing confidence and good banking.

The last report made by the Comptroller shows that over one-sixth of the total individual deposits in National Banks in the United States, including Hawaii and Porto Rico, were held by banks in New York City, and that over one-fifth of total deposits and amounts due to banks and Trust Companies combined were also held in that city.

This statement, among other things which might be mentioned, clearly demonstrates that New York City is the financial center of the country. Its weekly statements of the condition of National Banks in New York is the financial barometer that is regularly looked for and carefully examined throughout the country. It is a good indicator of the general financial situation and a reliable guide.

I deem it also fair to say that there are no abler bankers or more patriotic citizens than the presidents of National Banks in New York.

While of late, unfortunately, wrongdoing has been discovered to some extent in Federal and to a startling degree in municipal affairs, and in corporations in some lines of business, in banking there has never been a period in our history, so far as I am aware, when fewer errors and less misconduct have been committed or more universal confidence prevailed. Of course this statement is made taking into full consideration the vast increase in the volume of banking business and in the greater number of men engaged as officers and employees in positions of absolute trust.

As a logical outcome of this favorable banking condition and of the good work of the American Bankers' Association, and the high estimate we place upon the integrity, ability and cautious action of our leading bankers, what twenty-five or forty years ago would inevitably impair confidence and cause a panic would to-day only create a ripple on the financial surface, with no serious consequences. Let us hope that no act of any man or set of men will be done to impair in the least degree this most desirable situation in the banking world.

In closing I wish to assure you, one and all, of the happiness it affords us to welcome you here and to contribute in every way in our power to your entertainment, comfort and pleasure. We hope that every moment may be enjoyable and that you may at the end of your visit have a safe return to your respective homes and share with us in future the pleasant memories of your brief sojourn as our guests in Washington.

The President: We will next have an address of welcome on behalf of the Board of Commissioners of the District of Columbia by its president, Hon. Henry D. McFarland.

Address of Welcome by Hon. Henry B. F. MacFarland, President of the Board of Commissioners of the District of Columbia.

The National Capital most heartily greets you. You are welcome personally and as the representatives of our leaders in material progress. Your indispensable and honorable service to our country, through its financial and commercial interests, entitles you to the hospitality of its political center.

Here at the home of the National Government, in sight of the Treasury Department, the heart of its financial system, you can fittingly survey the splendid record of the bankers in our history. Here it has been recorded in deeds as well as in words, which again and again have sustained the national life in struggles and crises. Here too, has been enacted the financial legislation under which you have done your work, and here is the headquarters of that supervision over the National Banks which has been of inestimable value to them as well as to the public. Here the great waves of financial heresy have broken against the rock of public credit which has been maintained, ever since it was set up by George Washington and Alexander Hamilton, by the best of our statesmen, and always with your support. What if it was self-interest which first prompted that support? Happy are those whose self-interest coincides with the interests of the Republic and whose self-service becomes patriotism. As yet no monument has been raised in the parks of Washington to the men who have saved the country by saving its honor, and the credit without which it could not have lived. Among the soldiers and sailors whose statues abound even near the Treasury Department Alexander Hamilton should stand in enduring bronze, and Robert Morris and John Sherman and others like them of either century should have such honors here. But meanwhile their results speak for them and the intelligence of the nation delights to honor them.

As you go about our beautiful Capital, yours as much as ours, with all its memories of great men and great acts, you will see frequent evidences of what financiers have done for their country, just as you will see here as elsewhere how financiers have contributed with public spirit and philanthropy to the highest interests of the community in which they live. Our Rock Creek Park and our Corcoran Gallery of Art are but two of the visible proofs of the civic service of Washington bankers.

You will all share our desire, the desire of our country, that the National Capital should be made in every respect the most beautiful in the world.

When the Pilgrims set foot on Plymouth Rock modern banking was just beginning. The seed of freedom in three centuries has reached no greater growth than the seed of finance. Those who planted both seeds were men of faith who taught by example that men should walk by faith rather than by sight. They were practical men who know that sentiment rules the world. The mar-

velous commercial organization which is the characteristic feature of our civilization absolutely depends for life upon the sentiment of credit. Its gigantic achievements, undreamed of in the older time, are possible only because of the network of banks, which is the nervous system of commerce and which has knit all peoples together with invisible bonds stronger than any that can be seen. You have taken even invention that quickens communication as well as every form of human ability as your servant in the task of making money, which, consciously or unconsciously, is the task of making the world move forward to greater things. By conservative innovation you have brought the nations to mutual efficiency, mutual acquaintance, and that far toward mutual good will. Wars cannot be made without you and you are recognized as the great peacemakers. International justice is to be established as the substitute for war by you quite as much as by statesmen and jurists. You control an unequaled force in the affairs of men. It is your highest honor that, making all due allowance for exceptional cases and individuals, it can be truthfully said that your mighty power is in general used for the advancement and enrichment of mankind.

Your power and your character and your record naturally suggest that you should have a leading part in that moral renovation in the business world, especially with reference to fiduciary relations, which recent revelations make imperatively necessary. Once more, but in a new way, you must restore impaired confidence to the people, this time by convincing business men of other minds not only that honesty is the best policy, but that integrity is more precious than money, and vital to the Republic. The old-fashioned commercial honor, finer than that of any chivalry, must be re-enthroned and you are the men to do it. In such an effort, as in your patriotic endeavors of every kind and in your zeal by international peace through international justice, for international welfare, you will have the inspiring leadership of the foremost American, the chief pride of the National Capital, Theodore Roosevelt, President of the United States.

Reply of President Swinney to Addresses of Welcome.

On behalf of the American Bankers' Association I beg to make grateful acknowledgment of your cordial welcome to this Capital City. While it is your personal home and its large hospitalities are peculiarly in the keeping of yourself and other residents of the district in the broader sense of our national life, we feel at home in Washington City. To the politician it is the temple of fame that shines afar in his imagination and ambition. It is the Mecca toward which he ever looks with longing eyes. Some of us so-called "men of affairs" doubtless have felt the yearning that our constituents might have the appreciative sense of merit to send us here at the public expense or that the President might have the wisdom to invite some of us to come hither to take charge of the reserve fund in the Treasury. Despairing of that, we have taken advantage of reduced rates and come at our own expense to tell Congress, Secretary Shaw and the Comptroller of the Currency how to run the Treasury and take care of the finances of the nation. If at the conclusion of this Convention the Republic is not safe we will return to our respective homes with the firm conviction that our suggestions have not been heeded.

Of one thing we are glad, and that is that Congress is not in session, as thereby we attract more personal attention and more largely share the unappropriated hospitality of the city and have freer access to its accumulated "refreshments."

We do not crave the freedom of the city or care to have its keys delivered over to us. Where there is too much liberty indulgence may take the place of healthful restraint, and if anything should be missed while we are here it might be attributed to the men who carried the key. We prefer to trust ourselves as guests to the safer guardianship of your well-known discretion in dealing with untamed Congressmen and untrained statesmen.

Annual Address of E. F. Swinney, President American Bankers' Association.

The Conventions of this Association have been held in the cities of the East, West, North and South, but prior to this never before in the Nation's Capital. We have been entertained by the princely hospitality of the world's greatest metropolis and the Golden Gate has swung wide to bid us welcome, but to-day for the first time we meet at the fountain head of this great Government. The heart of every true American swells with justifiable pride when he reflects on the history of this city. A little more than a century ago it was but a barren place; less than a hundred years ago it was sacked and burned in war. To-day no capital in the world is a more potent force for peace and none more feared in war; none more beautiful in its arrangements and architectural adornment. It is the city of our fathers, of ourselves and of our children. Here no narrow sectional lines divide us into parties or factions; no borders of States make us New Yorkers, Kentuckians or Oregonians, but we are all Americans. We realize, as never before, that this Government of ours is indeed a National Government and not the weakly governmental force of separated and jealous States. We have a common pride in the names of Jefferson and Jackson, of Lincoln and Grant and Lee, and of that splendid galaxy of other distinguished statesmen, soldiers and patriots who have built these United States on such everlasting foundations.

To bankers is Washington of especial interest. The whole financial history of the country is closely interwoven with it. Here the country's financial laws are enacted and from here enforced. It was the seat of the first great bank of the United States and is to-day the headquarters of the largest banking institution in the country—the Treasury of the United States. The National Banks of the country look to Washington for their legislation and largely for their government. The man of all men who comes nearest being the arbiter of their destinies, the Comptroller of the Currency, issues his orders from here. It is, therefore, more than an ordinary honor and one which any man should be proud of to be called upon to preside over the Thirty-first Convention of the American Bankers' Association in the great City of Washington.

The purposes and objects of our gathering are too well known for me to dwell upon. In the technical sense of the term our Association is not one "organized for pecuniary profit," and yet in a broad sense it leads to that end. By the interchange of ideas, by listening to the speeches and papers, by the meeting of the brightest and best bankers and learning their manner and methods of banking, each of us returns to his place of duty better qualified to conduct his business for the benefit of stockholder and depositor. The day has passed when a successful banker can be a man who rests content to be merely acquainted with the highest interest rates obtainable in his given locality and the financial responsibility of his neighbors. Time was when banks and bankers were merely thermometers registering the local financial atmosphere of the country, but to-day in the larger sphere of business undertakings they largely create that atmosphere. No better illustration of this can be given than the attitude of the bankers during the disastrous silver craze. To the American bankers more than to any class of business men is due the fact that the country did not go irredeemably astray on the question of the monetary standard. Largely by reason of National and State associations the bankers were better acquainted with the question than any other class of men and acted more nearly as a unit in its correct solution. And in the bringing about of such a happy result these meetings have been of tremendous aid. I cannot too much disparage the too prevalent notion that our meetings and conventions are merely the assemblages of good fellows for a good time and are not of practical benefit. They are practical and of wide-spread benefit.

The business of the Association during my term of

office will be given you in detail through the reports of the Secretary, Treasurer and the various committees. When elected President a little more than one year ago I asked and expected the loyal support of every member and officer of the Association. The success or failure of the year's work depended on this. It is a great pleasure at the year's end to state that such support has been faithfully and loyally given. I would bespeak my thanks and those of the other members of the Association to the Secretary and Executive Council for their work so faithfully and conscientiously done, work that will be more fully appreciated when the detailed statements of such work are laid before you.

Since our last Convention death has been among us and there have gone to the great beyond two often honored and now highly revered by this Association—General Charles Parsons, of St. Louis, and Mr. Joseph C. Hendrix, of New York. Mr. Parsons was born in New York State, but hardly before attaining his manhood saw the advantages of the then Far West for a young man with no capital but an honest determination to build for himself a name. He settled in St. Louis in the early sixties and for almost forty years had been at the head of one of the most solid institutions in that place. He was one of the original number of bankers who met at Saratoga and organized the American Bankers' Association, being chosen President of the Association a few years later. He died only a few weeks ago, leaving a name that will be honored so long as history tells of the man who aided in building and maintaining the high standard of men in that great Western city.

Since my boyhood I had known Joseph C. Hendrix. He attained his fame and reaped his honors in the East, but we of the West are proud of him as a Western product, for it was in the West that he was born and spent his early days. When scarcely more than a boy he left his native State of Missouri and sought fortune in the activities of New York. His first work there was as a reporter on one of the leading dailies and it was done so well that he was gradually advanced to the position of night editor. He left his newspaper career to become Secretary of the Brooklyn Bridge Company, then to be Postmaster of the city of Brooklyn. His sphere of usefulness widening, he was elected a member of Congress, where in Washington, as in Brooklyn, he measured up to the full standard of a statesman. Some of the leading financiers of New York saw and appreciated his sound financial ideas and business methods and he was called upon to become the head of the second largest banking institution in America. He was long a member of the Association and its Executive Council and served one term as its President. Without disparagement of any man it can be said that no man ever contributed more materially to the success of our Association than our deceased ex-President. In business he was regarded as a man of cold, calculating facts, but no one could ever have any dealings with him without appreciating his high business ability and his utter contempt at all times for any of the little things so often found, unfortunately, in men holding the highest positions. We all recall with pleasure his ready wit, appropriate anecdotes and forceful talks made at our annual Conventions and at Council dinners. His life and career will spur many a young man on to success and forever give the lie to that false notion so many have that in this age merit is not fully rewarded and no great success can be attained without "influence," for Joseph C. Hendrix attained for and by himself a name and fame that will not soon perish; his own individual efforts and abilities were the only influences he possessed.

I wish I could say such words of praise of another one recently honored with the Presidency of the American Bankers' Association, or could refrain from speaking of him at all. I cannot in justice to the truth do the former and I cannot without a sense of cowardice do the latter. I think I ought to voice the deep sense of chagrin and shame that every member here feels at the disgrace

brought upon the high office of President of the American Bankers' Association, the banking profession in general and good citizenship everywhere by the felony of one who was so honored by us, held in such esteem and now justly occupying a prison cell. By his own voluntary act he stabbed in the back the financial institution of which he was the head and exchanged an honored career for a criminal record.

The lives of the men to whom I have referred serve to "point a moral or adorn a tale"—the former as a model and an incentive; the latter as a warning and an admonition.

We have cause to congratulate ourselves upon the abundant evidence that the past year has been in the main marked by prosperity in all lines of business, and comparatively few bank failures have occurred. All such periods have, however, produced a feeling of overconfidence and led to the floating of unsound industrial enterprises. The few bank failures of the past year are mostly traceable to excess loans made to such enterprises or their promoters. The present statutory provisions of the National Banking Act limiting loans to any one individual, firm or corporation to 10 per cent. of the capital stock of the lending bank seem to be inadequate. I would recommend a change in the banking laws permitting banks to loan one-tenth of their combined capital and surplus to one individual, firm or corporation, and provide suitable penalties for any bank violating the law. At the same time I would recommend that any funds passed to surplus be reported to the Comptroller of the Currency and be not thereafter allowed to be in any way impaired under the same penalties and conditions as now prescribed for impairment of capital stock. These amendments would tend to remove the incentive to excess loans and also provide a larger loaning power to the banks. Similar provisions in State laws could and doubtless would be enacted. A much more serious abuse lies in the not infrequent acts of managing officers of banks making large discounts to themselves out of the banks' funds. It is an observable fact that in a great number of bank failures there have been found among their assets the worthless notes of high officers of the bank for large loans, frequently without any security at all or with "straw" security which proved to be absolutely worthless. This is a most flagrant and reprehensible violation of law, to say nothing of business ethics. It is the essence of personal dishonesty. It is a wanton disregard of the fundamental conceptions that such officers are the chosen guardians of a trust fund. It opens wide the door to speculation and fraud and it is a travesty upon legitimate banking. We should urge Congress to deal rigorously with these abuses by pronouncing them as felonies with extreme pains and penalties; and we should urge this Association and the State Bankers' Associations to take this matter before their respective State Legislatures so as to compel protection where there is wanting official integrity and a proper sense of propriety.

On the ever present question of the country's currency system this Association spoke at San Francisco two years ago. The commendations of the Currency Committee are as applicable to-day as when approved, and this Association should see that these recommendations are carried to speedy success. We all agree that "quality" and not "quantity" comes first. Largely through the influence of our Association, as I have already pointed out, "quality" has been forever assured. No currency in the world rests on a more firm and solid foundation to-day than does ours. On the question of "quantity" your voice will be no less potent and eventually decisive. Financiers differ as to the proper methods of assuring at all times a currency ample but not redundant, elastic but not capable of ulterior manipulation. "Asset currency" and "emergency currency" are terms not yet capable of exact definition. It has been said that "fools often rush in where angels fear to tread." In considering this question let us not emulate the former nor arrogate to ourselves the wisdom of the latter, but as conser-

vative, patriotic business men may we solve the question aright, and having once made up our minds have the courage to enforce our convictions.

In conclusion, gentlemen of the Association, I wish as the most appropriate of words to voice the sentiment which all of you must feel of good will and wishes for the President of the United States, who, in the high office which he fills with distinguished abilities, brings to bear upon questions of public moment a profound sense of patriotism and sincere desire for the nation's and the individual's good. I am sure I utter your thought in hoping for him continued health and strength and unmeasured success in his high endeavors.

We congratulate him upon the happy and successful outcome of his long, wise and patient labors to bring peace to our unhappy and warring neighbors, and we express the hope that our country and our country's power and greatness may ever find its highest field of usefulness in promoting the arts and splendors of unbroken peace.

The President: I believe for the first time in the existence of the American Bankers' Association we have with us the representative of a foreign nation, engaged in the banking business. I would ask Mr. Blythe, manager of the Union Bank of Scotland, to come upon the stage. (Applause.)

PRAISE FOR PRESIDENT ROOSEVELT'S SERVICES IN BRINGING ABOUT PEACE IN THE EAST.

Mr. Pugsley: Mr. President, an event of transcendent importance, not only to humanity, but to the financial and commercial interests of the world, has recently transpired in the little town of Portsmouth. Through the initiative of the President of the United States, through his wisdom, counsel, and splendid efforts, an honorable peace has been secured to Russia and Japan, a peace which means to this nation and to all civilized countries, I believe, a new era of prosperity and commercial advantage and a new incentive for the nations to submit their grievances to arbitration. I believe, Mr. President, that when a man has wrought a great deed in a great way he is deserving of great credit, and I believe it is eminently fitting that this Convention should pause in its deliberations to express its appreciation of the magnificent work of President Roosevelt in the interests of peace. (Applause.)

I move you, therefore, Mr. President, the adoption of the resolution that I am about to read:

Resolved, That the American Bankers' Association, assembled in its thirty-first annual Convention, extends its thanks to the President of the United States for his untiring efforts and eminent services in the interest of humanity and civilization, which were so abundantly crowned with success in the honorable treaty of peace at Portsmouth, and that this Association expresses its appreciation of the President's unselfish action and courage in taking the initiative to restore to Russia and Japan those peaceful relations that must of necessity make for a greater and higher development of civilization and for the betterment of mankind.

Mr. Jennings, of Florida: Mr. President, coming from the far South, I want to reiterate and emphasize the feeling that has been presented in the resolution we have just heard read. Coming as I do from the Southland, we all love peace, and we love the President of the United States. (Applause.) I would not feel satisfied to remain silent here and hear the words of patriotism that thrill all Americans without rising to second the resolution. (Applause.)

The President: You have heard the resolution, and I think in a matter of this kind we should take a rising vote.

The resolution was unanimously adopted by a rising vote.

The President: We will now be favored with an address by Secretary of the Treasury, Honorable Leslie M. Shaw.

"Trade Expansion," by Hon. Leslie M. Shaw, Secretary of the United States Treasury.

[Secretary Shaw's address in full will be found on pages 81 to 84 of this publication.]

The President: The next is the report of the Secretary.

Report of the Secretary, Mr. James R. Branch. September 1, 1905.

To the American Bankers' Association.

Gentlemen:—For two years the work of the Protective Committee has been conducted through the Secretary's office with a reduction of expenses. During the past fiscal year, ending August 31, 1905, the Pinkerton National Detective Agency has obtained splendid results toward suppressing crime for the Association. They have captured sixty-two professional bank criminals, thirty-five of whom have been convicted. The total amount of their sentences aggregates eighty-four years. This does not include nine indeterminate terms; and nineteen of those arrested are now awaiting trial. William Rudolph, who, with George Collins, robbed the Bank of Union, Union, Mo., and later on killed Detective Schumacher, was executed May 8, 1905, at Union, Mo. The protective work of the Association last year cost \$26,031.61, while for the year ending August 31, 1904, it cost \$34,282.44, a decrease of \$8,250.83, although the membership is larger now than ever before. The expenses of the Protective Committee and the results of their work for the last five years are as follows:

	Paid members.	Cost per member.	Total expenses.	Arresta.
1901	5,392	\$5.56	\$29,973.20	54
1902	6,204	5.28	32,781.11	56
1903	6,043	5.93	41,145.61	50
1904	7,563	4.53	34,282.44	75
1905	7,677	3.39	26,031.61	62

The committee adopted this year a plan of issuing monthly reports to members and the press of the country, thus calling the attention of criminals to the fact that the committee is relentless in its pursuit of depredators who operate against members. The Protective Committee is a secret one, and a large part of the growth, prestige and importance of the Association is due to its labors.

Sincere thanks are due its members for their earnest, painstaking and important work; their names being unknown, the only reward they can receive for difficult and regular labors is the knowledge that their duties are well performed and appreciated by other members of the Association.

EDUCATION.

The Committee on Education has organized thirty-seven chapters, an addition of twelve during the last year. The efforts of this committee have been toward elevating the standard of educational work to even a higher plane than it has occupied. The total membership of the chapters is 5,350, being an increase of over one thousand in twelve months. Fifty-one students have already passed preliminary examination in practical banking, eight in commercial law and thirty-six on political economy. There are 299 applications for preliminary examination in practical banking, 178 in commercial law and 199 in political economy. The promotion in the banks in which they are employed of many clerks who have taken an active interest in the work of these chapters shows that they are not only improving themselves, but that the work of the Committee on Education is being recognized by the banks of the country.

UNIFORM LAWS.

The Committee on Uniform Law has helped toward the adoption of the Negotiable Instruments Law by States which have not already taken it up. Kansas, Michigan, Missouri and Nebraska have adopted it during the past year, making a total of twenty-nine States now having this law on their statutes.

BANK MONEY ORDERS.

Over six hundred members of the American Bankers' Association are now using the form of order adopted a year ago by the Association. One member, The American Bank, Manila, P. I., failed while sixteen money orders, amounting to \$1,175, were in transit. These or-

ders were promptly paid upon presentation by the American Surety Company, which guaranteed them for the profit obtained by selling orders at the rate of \$5 per \$1,000. This company is now selling orders to members of the Association which can be filled in up to an excess amount of \$100 each, where formerly the limit was \$25. During the past year twenty-one State Bankers' Associations have indorsed the order and recommended its use to their members.

THE CIPHER CODE.

The Cipher Code Committee appointed at the last Convention are entitled to the thanks of the Association for their laborious and excellent work in compiling the best secret code yet devised for the use of banks and bankers. The need of the code was recognized by the chairman, Mr. F. F. Blossom; he compiled it and presented the result of his labor to the Association. Under the direction of the committee numbered codes have been issued to every member of the American Bankers' Association; numerous letters received show that the code is filling a long-felt want, and is daily growing in importance.

THE SECTIONS.

The Trust Company Section is still advancing, and its membership has increased from 566 to 632.

The Savings Bank Section during the same period has increased from 616 to 735 members.

ROUTINE WORK.

During the fiscal year ending August 31, 1905, 7,900 special letters and 111,000 circulars and reports have been issued from the Secretary's office.

The membership and resources of the Association have increased as follows:

	Paid membership.	Annual dues.
September 1, 1875.....	1,600	\$11,606
September 1, 1885.....	1,395	10,940
September 1, 1895.....	1,570	12,975
August 31, 1905.....	7,677	127,750
Interest on \$10,000 Government bonds of 1925.....		400

Making the total income.....\$128,150

During the past year 1,038 members were lost through failure, liquidation, consolidation and withdrawal from the Association. This reduced the membership September 1, 1904, to 6,525. One thousand one hundred and fifty-two members have joined since that date. More members joined the Association last year than ever before in the history of the organization. Their aggregated capital, surplus and deposits now amount to \$11,460,875.527.

In closing my tenth consecutive terms as your Secretary, I wish to thank most sincerely the officers, active committees, members and the clerical force in my office for their earnest and cheerful co-operation, without which such progress would have been an impossibility.

Respectfully submitted,

JAMES R. BRANCH,
Secretary.

The President: We will now listen to the report of the Treasurer, Mr. Ralph Van Vechten:

Report of the Treasurer, Mr. Ralph Van Vechten.

New York, September 1, 1905.

RECEIPTS.

Last balance, September 1, 1904.....	\$102,397.74
Interest on \$10,000 4 per cent Government bonds of 1925.....	400.00
Proceeds sale of four copies of Trust Company forms	48.00
Proceeds sale of Trust Company Section Proceedings, 1896-1903.....	663.75
Amount paid account Dr. Geo. Marsland.....	58.20
Rebate account bill of Stumpf & Steurer, and stenographer and typewriter.....	591.77
Amount transferred from Northern Trust Co., Chicago, Ill., to National Bank of Commerce in New York.....	45,000.00
Dues from 1152 members, 1904-1905.....	15,851.39
Dues from 1582 old members paid in advance to September 1, 1906.....	27,440.00
5764 bills for membership dues for the ensuing year, deposited with Commercial National Bank, Chicago Ill. (subject to deduction of unpaid bills).....	93,675.00
	\$286,125.85

DISBURSEMENTS.

Standing Protective Committee.....	\$26,031.61
Committee on Education.....	8,085.93
Committee on Fidelity Insurance.....	1,082.50
Committee on Bank Money Orders.....	271.17
Committee on Cipher Code.....	2,144.15
Committee on Uniform Laws.....	54.00
Savings Bank Section.....	3,189.97
Trust Company Section.....	4,240.34
Executive Council meeting, New York, May 3, 1905.....	2,853.66
Salaries.....	19,528.32
Expenses of Convention, 1904.....	1,163.10
Proceedings, 1904.....	6,108.89
Distributing Proceedings, 1904.....	1,794.67
Rent.....	3,099.99
Postage.....	1,421.00
Printing, stationery, etc.....	709.24
Sundry expenses.....	414.06
New York Telephone Co.....	253.13
20,000 programmes Convention, 1904.....	225.60
Frames and inserts for 1905 and 1906 and pulp board.....	2,369.52
Typewriter in exchange.....	72.50
Traveling expenses of Secretary.....	252.25
Premium on officers' bonds.....	56.25
Dues returned to two members.....	30.00
Dues paid to 1906 returned to trustee of M. L. Stewart & Co., Owosso, Mich.....	10.00
Petty cash.....	100.00
Amount transferred to Northern Trust Co., Chicago, Ill.....	45,000.00
926 drafts charged back account dues 1904-1905.....	12,795.00
4 drafts charged back account dues 1905-1906.....	100.00
Balance, August 31, 1905.....	142,674.00
	\$286,125.85

The President: I will also ask Mr. Van Vechten to read the report of the Protective Committee.

Mr. Van Vechten: The Standing Protective Committee is a secret committee, and not being a member of it I am requested to submit the report of that committee as follows:

Report of Protective Committee.

The Standing Protective Committee of the American Bankers' Association respectfully submits the following report:

The detailed financial statement of the committee for the year ending September 1, 1905, is as follows:

DETAILED FINANCIAL STATEMENT OF STANDING PROTECTIVE COMMITTEE.

RECEIPTS.

September 1, 1904, by balance.....	\$3,761.64
September 16, 1904, appropriation of Executive Council at New York.....	20,000.00
May 3, 1905, appropriation of Executive Council at New York.....	20,000.00
	\$43,761.64

DISBURSEMENTS.

September 1, 1904, Pinkerton National Detective Agency.....	\$25,871.03
20,000 rules of Protective Committee....	10.00
7,500 pamphlets.....	64.00
Second National Bank, Brownsville, Pa., refund case, forger A. E. Smith.....	86.58
	26,031.61
August 31, 1905, balance.....	\$17,730.03

	Paid members.	Cost per member.	Total expenses.	Arrests.
1901.....	5,392	\$5.56	\$29,973.20	54
1902.....	6,204	5.28	32,781.11	56
1903.....	6,943	5.93	41,145.61	50
1904.....	7,563	4.53	34,282.44	75
1905.....	7,677	3.39	26,031.61	62

The meetings of the committee have been regularly attended by each of its members, and over seven thousand reports and communications have been considered during the past year.

It has been the purpose to conduct its operations at the least possible cost to the Association consistent with accomplishing satisfactory results.

The committee asks the co-operation of the members of the Association in an endeavor to secure an amendment to the Penal Codes of each State providing for the more severe punishment of the "Yegg" burglar, as this class of criminal is the severest menace to the members of the Association distant from the centers of population.

The committee recommends the adoption of the amend-

ment to the constitution prohibiting the compromising of a crime either by the committee or a member of the Association.

Realizing the advantage to the Association of an adequate knowledge on the part of criminal classes of the probability of prosecution for attack on member banks, your committee has endeavored to give the largest possible publicity to the successful results of its operations. We take this occasion to thank the press of the country for its aid, and we ask the co-operation of the members in carrying out this policy.

The committee takes this occasion publicly to acknowledge the conscientious and laborious work of the Secretary in the faithful performance of his arduous duties in connection with the protective work of the Association.

The committee desires to express its appreciation of the untiring efforts and effective work of the Pinkerton National Detective Agency in the interest of the Association. Their report of the details of operations during the past year is submitted in printed form.

Very respectfully,

STANDING PROTECTIVE COMMITTEE.

On motion of Mr. Mulvane the above reports were referred to the Auditing Committee.

The President: The report of the Executive Council will be read by Mr. G. S. Whitson.

Mr. Whitson read the portion of the report relating to proposed changes in the constitution.

Report of Executive Council, by Mr. G. S. Whitson.

[The report of the Executive Council will be found given in the Second Day's Proceedings, on page 106.]

CONSTITUTIONAL AMENDMENTS ADOPTED.

The President: You have heard the report of the Executive Council regarding the proposed changes in the constitution. It takes a two-thirds vote to change the constitution. What shall be done with the recommendation?

On motion the proposed changes were agreed to.

MEMORIAL RESOLUTIONS ON DEATH OF MEMBERS.

The President: A committee, of which Mr. Robert J. Lowry is Chairman, was appointed to draft memorial resolutions on the death of one of our members. I will ask Colonel Lowry, Chairman of the committee, to read that memorial.

Mr. Lowry: I will ask the Secretary to read it.

The Secretary read the following:

[These resolutions will be found in the report of the Executive Council under the Second Day's Proceedings, on page 106.]

On motion the resolutions were agreed to.

The President: The committee of which Mr. Walker Hill is Chairman was appointed to draft resolutions on the death of Mr. Charles Parsons. I will ask Mr. Hill to read those resolutions.

Mr. Hill read as follows:

Whereas, The American Bankers' Association has heard with profound regret of the death, September 15, 1905, of Charles Parsons, President of the State National Bank in St. Louis; therefore, be it

Resolved, That the following tribute to his memory be spread upon the minutes of this Convention, and a copy be engrossed and forwarded to his family:

Charles Parsons was one of the founders of this Association at Saratoga in 1875. He served as President in 1890-1891, and at the time of his death was ex-officio member of the Executive Council.

After an honorable military career during the Civil War Mr. Parsons entered the banking business in St. Louis, where for nearly forty years his name has stood for all that is wisest and best in his chosen field of labor, and his influence and character will be missed by those who held the privilege of his friendship, for it is well known that his record and attainments had achieved for him a national repute, and had he so desired he might have been honored high in the service of his country.

To those who knew him his life will ever be a sacred lesson, as that of one who by his learning, his wisdom, his integrity and his purity has achieved the highest ideal in a vocation which will ever demand the best in heart and brain.

WALKER HILL,
JAS. B. FORGAN,
DUMONT CLARKE,
R. H. RUSHTON,
F. P. NEAL,
Committee.

On motion of Mr. Mulvane the resolutions were agreed to.

The President: The reading of the balance of the report of the Executive Council will be postponed until to-morrow. We will now have an address by Mr. Frank A. Vanderlip, Vice-president of the National City Bank of New York.

Mr. Vanderlip delivered the following address.

Problems Connected with Increasing Gold Supply, by Frank A. Vanderlip.

[Mr. Vanderlip's address will be found on pages 94 to 96 of this publication.]

SESSIONS TO BE HELD AT COLUMBIA THEATER.

The President announced that the National Theater would not be available for the subsequent sessions of the Convention, and stated that two places might be secured: one, the large hall on the tenth floor of the Willard Hotel, and the other the Columbia Theater.

On motion the Columbia Theater was chosen for the further sessions of the Convention.

The President: Some of you may not be personally acquainted with the next speaker. National bankers, however, are pretty well acquainted with his signature, attached to communications calling their attention to large overdrafts, past due paper, and section 5200 of the Revised Statutes of the United States. I beg to introduce to you Mr. W. B. Ridgely, Comptroller of the Currency, who will address you upon the subject of examination of banks. (Applause.)

'The Examination of Banks,' by Hon. Wm. B. Ridgely, United States Comptroller of the Currency.

[Mr. Ridgely's address in full will be found on pages 84 to 86 of this publication.]

The President: Before adjournment we will have time to listen to the report of the Committee on Uniform Laws.

The Secretary read the following:

Report of the Committee on Uniform Laws, by Frank E. Tracy.

The Committee on Uniform Laws begs leave to report that during the past year four States have been added to the Roll of Honor of States with the Negotiable Instruments Law on their statute books—namely, Kansas, Michigan, Missouri and Nebraska. In each of these States the history of success is practically the same—a united effort on the part of the State Bankers' Association, together with the strong undivided efforts of a few leading bankers. In other States just as strong efforts were made, and in some the seed has been planted which will unquestionably bear fruit at the next session of the Legislature. In some almost unsurmountable difficulties were encountered, and it will take hard and painstaking work to wear these away. It is sincerely hoped by this committee that the different State Associations will keep hammering away, educating the people and legislatures until the merits of this law will become so clear that in the length and breadth of our beautiful land there can be but one construction of a piece of negotiable paper. In the different States whose legislatures met during the past year, a brief notice of the reports may be of interest.

In New Hampshire it appears the State Association has been disrupted through differences over local matters, and as this committee can only act through State Associations, nothing was done there.

In Indiana a strong effort was made to pass the bill, both by the Bankers' Association and by the Bar Association, but they could not get any intelligent consideration of it.

In Illinois about the same opposition was encountered. The Chairman of this committee was one of a committee which laid the matter before the Governor and Speaker of the House, but in each instance the opposition—more negative than positive—was such that no effort was made to pass it. The feeling of the State Association is such, however, that we know they will not quit until the law is considered on its merits.

In Georgia the State Association carried matters along nicely, and the bill would have unquestionably passed had it been reached on the calendar; there seems no doubt of its passage at the next session.

In Arkansas the State Association made a thorough canvass of the Legislature and found such strong opposition that it was decided best to drop the matter for this session.

In California, South Dakota and Minnesota no efforts whatever have been made.

It is urged by this committee that each State Association should take hold of this matter long in advance of the session of the Legislature, in order that each member may be properly approached.

The following States are now acting under the Negotiable Instrument Law:

Connecticut,
Florida,
Maryland,
Virginia,
Wisconsin,
Tennessee,
Utah,
Rhode Island,
Iowa,
New Jersey,
Montana,
Idaho,
Kansas,
Michigan,
Nebraska,

Colorado,
New York,
Massachusetts,
North Carolina,
District of Columbia,
Oregon,
Washington,
North Dakota,
Arizona,
Ohio,
Pennsylvania,
Kentucky,
Louisiana,
Missouri.

FRANK E. TRACY, Chairman,
HOMER A. MILLER,
J. D. POWER, Committee.

ADJOURNMENT.

Thereupon the Convention adjourned until Thursday, October 12, at 10 o'clock a.m., at the Columbia Theater.

SECOND DAY'S PROCEEDINGS.

Thursday, October 12, 1905.

The Convention was called to order at 10 o'clock a.m. by the President, Mr. E. F. Swinney.

PRAYER BY THE REV. T. S. HAMLIN.

Almighty God, we thank Thee for the beauty and glory of the morning, for the rain that Thou didst send to refresh the thirsting ground, and for the sunshine that this morning gladdened our eyes. We thank Thee for the rest of the night, for health, and all the blessings with which the morning is crowned, and we entreat Thy blessing upon these men who have gathered for the business of this day. Grant that all their councils may be overruled by Thee and that they may so deliberate and plan and execute as to promote the interests of those for whom they stand as representatives. We recognize as from Thee that great and permanent measure of integrity and honor that has marked the financial institutions of our country, and while we deplore all lapses from this high standard, we entreat Thee that Thou shalt so instruct and so strengthen the will that men may be able to execute trusts committed to them with perfect fidelity, that those who trust the institutions of the country in which they place their earnings may receive the due return for that which they deposit, and that there may be throughout all our banks and trust companies and institutions of every sort where the financial interests of the nation are placed that complete integrity and high honor which shall safeguard all interests. Be with the families of those who are gathered together here as our city's guests, those who are absent from those whom they love, and grant that upon all this gathering in its remaining here and its departures, and in the homes, in cities and towns of our land and other lands that are represented here there may abide the blessings of our Heavenly Father. Forgive our sins, and receive us into the covenant of His love and mercy in His name who has taught us to pray, Our Father who art in Heaven, hallowed be Thy name. Thy kingdom come, Thy will be done, on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses as we forgive them who trespass against us. And lead us not into temptation, but deliver us from evil; for Thine is the kingdom and the power and the glory for ever and ever. Amen.

The President: We will proceed with the report of the Executive Council, Mr. Whitson, Chairman.

Report of the Executive Council, by the Chairman
Mr. G. S. Whitson.

Mr. President and members of the American Bankers' Association: While it has been the custom of my predecessors to make the report to the Association at its annual meeting, it is not my intention to burden you with the details of the work which have been or will be covered by the full reports submitted by the various committees. The

past year has been a most successful one. Each and every committee has not only cheerfully assumed but faithfully carried out the duties imposed upon it, notwithstanding their laborious nature in many instances; and I thank them for it.

The Association has added largely to its roll, and our expenses have increased in consequence thereof, but the net result on the credit side of the ledger is about \$40,000—the largest, I believe, in the history of the Association.

Inasmuch as the Constitution will not permit the names of the Protective Committee being made public, I think it but just that attention should be called to the work that it has accomplished, and notwithstanding the increase in membership and labor in consequence thereof, the amount expended is some \$8000 less than the preceding year. A committee appointed by the Chairman in accordance with the resolution passed September 16, 1904, to revise the Constitution and report at the next meeting of the Council recommends the following changes, which are respectfully submitted:

Article 2, Section 1. Omit the words "those present at any regular meeting," and insert in their place "the Executive Council."

As the Constitution stands at present there is no way to discipline a member or erase his name from the rolls of the Association except by a two-thirds vote of the Convention. The above change would delegate this authority to the Council.

Article 4, Section 3, reads: "Said committee (Protective Committee) is prohibited from compromising or compounding with the parties charged with crime, or with their agents or attorneys."

The committee recommends that same be changed to read as follows:

Said committee, or a member of the American Bankers' Association, is prohibited from compromising or compounding with parties charged with crime, or with their agents or attorneys, a case once committed to the Association which results in the apprehension of the criminal.

There is nothing in the Constitution to prevent members of the Association from making compromises of the above nature, and such action on the part of members on several occasions has seriously interfered with the work of the committee. Would it not be a good thing to insert a clause in the Constitution not only prohibiting the Protective Committee from compromising or compounding with parties charged with crime, but also members of the Association after once having turned a case over to the Protective Committee for its investigation?

MEMORIAL TO JOSEPH C. HENDRIX.

A committee composed of Messrs. Robert J. Lowry, Chairman, and Myron T. Herrick, M. M. White and Logan C. Murray was appointed to draft memorial resolutions relative to the death of the Honorable Joseph C. Hendrix, a former president of this Association. Colonel Lowry, Chairman of the committee, will read the memorial.

Mr. Hill read as follows:

In Memoriam.

Gentlemen of the American Bankers' Association:

We are annually reminded that one or more of our worthy members have passed away and that we will see their faces, shake their hands and listen to their voices and their wise counsel no more.

It is the sad duty devolving on your committee to announce that since our last annual meeting the Grim Reaper has claimed our esteemed friend and co-worker, Honorable Joseph Clifford Hendrix, of New York, of whose death no doubt you have all heard. Your committee, in making this announcement, deem it proper to make mention of some of the principal features of the life of our late distinguished friend, and that proper resolutions of regret be passed by your body.

Honorable Joseph Clifford Hendrix was born in Fayette, Missouri, May 25, 1853, being the third son of Adam Hendrix of that place. He was only in his fifty-third year when he died, but into his active life he had crowded many important things, and aside from being a prominent banker, he had distinguished himself in many ways.

At Fayette, Missouri, where he was born, he attended the Central College and finished his education at Cornell University, Ithaca, New York, his father being quite an advocate of liberal education. As an alumnus of Cornell, Mr. Hendrix afterward became a life trustee of that famous university, and

as such was ever enthusiastic for its welfare and watched its good work with deep interest and modest pride.

Mr. Hendrix developed early in his career a strong desire to enter the field of journalism. In 1873, when he was but twenty years of age, he left the West and went to New York, where he entered journalism. He was soon assigned to Brooklyn as a representative of the New York Sun there, and henceforth Brooklyn was his home. His remains now lie in beautiful Greenwood Cemetery, in that city, which had been his home for thirty-one years, and with so many of whose institutions he was permanently identified.

In 1881, Mr. Hendrix became a member of the Brooklyn Board of Education and five or six years later was made its president. His interest in educational matters never lagged, and from the day he entered Cornell University to the day of his death he was the champion of education, first last, and all the time.

Among the important offices he held during his life were Secretary of the Brooklyn Bridge Company, Postmaster of the city of Brooklyn, as well as Congressman from a Brooklyn district. He was also a director of the Fifth Avenue Trust Company and President of the Kings County Trust Company, which latter company he organized.

While the Honorable Mr. Hendrix was a member of Congress, he was offered and accepted the presidency of the National Union Bank of New York. This bank was later consolidated with the National Bank of Commerce, Mr. Hendrix remaining President of the consolidated bank until its consolidation with the Western National Bank of New York, about a year before his death.

In 1895 Mr. Hendrix was elected Chairman of the Executive Council of this Association. In 1896 he was elected Vice-President, and in 1897 he was elevated to the Presidency of the American Bankers' Association, and all of these positions, being the most responsible within the gift of this body, were filled with the ease, grace and dignity as well as the efficiency which characterized his conduct in every office he filled during his life. Not only was he efficient as an officer of this Association, but as a member of the Association he was ever ready to do whatever was assigned to him as duty, and would lend his wise counsel and suggestions at any and all times for the good of the Association and its work. His devotion to the Association was unselfish, his acceptance of its honors was with becoming modesty, and his efforts in its behalf were characterized by an interest scarce surpassed.

Socially it was difficult to find a more genial and courtly gentleman. He was generous to a fault, kindly, courteous, patient and tolerant. He was always attentive, cheerful, bright and interesting. He was a member of quite a number of prominent social organizations both in New York and out at Bath Beach, where he frequently went to take a few days' rest from his strenuous duties, and the noise and traffic of the busy city.

The influence and example of such a man are of inestimable value. Every member of this association who has come in contact with him will bear witness to his unflinching courtesy and watchful kindness. He was perfectly sincere, and his straightforward integrity impressed all who had relations with him, and his high toned truthfulness inspired entire confidence; therefore be it

Resolved, by the American Bankers' Association: 1. That the death of Honorable Joseph Clifford Hendrix has brought to this Association and its members deep sorrow and regret.

2. That our Association has lost one of its most useful and honorable members, and each of us a devoted, loyal and faithful friend.

3. That the purity and excellence of the character of the deceased are an example to the young men of the banking profession worthy of emulation.

4. That the several institutions with which he was connected at the time of his death have suffered great loss in being deprived of his wise counsel and zealous advocacy.

5. That a page of our minutes be set apart for a permanent record of these resolutions as a token of the esteem in which he was held by the members of this Association and that a copy of the preamble and these resolutions be furnished to the family of our deceased member and friend.

Your committee respectfully recommend the adoption of the above.

Respectfully,

ROBERT J. LOWRY, Chairman,
MYRON T. HERRICK,
M. M. WHITE,
LOGAN C. MURRAY,

Committee.

MEMORIAL TO CHARLES PARSONS.

Mr. Whitson (continuing): A committee composed of Mr. Walker Hill, James B. Forgan, Dumont Clarke, R. H. Rushton and F. P. Neal was appointed to draft memorial resolutions relative to the death of the Honorable Charles Parsons, former President of this Association. Mr. Walker Hill, as Chairman of the committee, will read the memorial.

Mr. Hill read as follows:

Whereas, the American Bankers' Association has heard with profound regret of the death, September 15, 1905, of Charles Parsons, President of the State National Bank in St. Louis. Therefore be it

Resolved: That the following tribute to his memory be spread upon the minutes of this Convention and a copy be engrossed and forwarded to his family.

Charles Parsons was one of the founders of this Association at Saratoga in 1875. He served as President in 1890-91 and at the time of his death was an ex-officio member of the Executive Council.

After an honorable military career during the Civil War Mr. Parsons entered the banking business in St. Louis, where for nearly forty years his name has stood for all that is wisest and best in his chosen field of labor, and his influence and character will be missed by those who held the privilege of his friendship, for it is well known that his record and attainments had achieved for him a national repute, and, had he so desired, he might have been honored highly in the service of his country.

To those who knew him his life will ever be a sacred lesson, as that of one who by his learning, his wisdom, his integrity, and his purity, has achieved the highest ideal in a vocation which will ever demand the best in heart and brain.

WALKER HILL, Chairman.
JAMES B. FORGAN,
DUMONT CLARKE,
R. H. RUSHTON,
F. P. NEAL,

Committee.

AUTHORITY TO MAKE REAL ESTATE LOANS.

The Council refers the following communication from Mr. Allen Ozburn, cashier of the First National Bank of Pinkneyville, Illinois, to the Convention, with the recommendation that it be referred to the new Executive Council.

The Secretary read as follows:

PINKNEYVILLE, ILL., October 5, 1905.

The American Bankers' Association, New York.

Gentlemen:—We have a law in the United States Revised Statutes prohibiting National Banks loaning on real estate security. There may have been a time, no doubt was, when such legislation was deemed necessary, in order to protect depositors to that extent who dealt with National Banks. But that time has passed. There is no better security than real estate, neither indeed can there be, and National Banks that are restricted in such a manner are put to a great disadvantage in that their competitors, State and private banks, are not subject to the law. The fact is that ninety-five per cent. (estimated) of the National Banks either evade or violate the law, to the knowledge of the department, which proves the imbecility of the law. We believe all National Banks outside of the reserve cities would hail with delight the repeal of this law, and we feel sure would co-operate to secure this result if your good offices could be secured to champion their cause.

We believe you as an Association are interested in securing legislation favorable to your members and are no doubt just as desirous of having unfavorable legislation repealed. This could be done, we believe, with no injustice to the banks not affected, and we would consider its accomplishment the greatest single service you could render at this time to that class of your members who are under the ban.

We would thank you for your views on the subject, stating the conditions under which you would undertake the task, promising our assistance in arranging any preliminary.

Very truly yours,
ALLEN OZBURN,
Cashier First National Bank.

The President: If there is no objection the communication will be referred to the Incoming Council.

PROTECTION FOR BANK DEPOSITORS.

Mr. Whitson (continuing): The Council refers the following communication from Mr. Myron Campbell, Cashier of the South Bend National Bank, South Bend, Indiana, to the Convention, with the recommendation that it be referred to the new Executive Council.

The Secretary read as follows:

SOUTH BEND NATIONAL BANK,
SOUTH BEND, IND., October 3, 1905.

J. R. Branch, Secretary, New York.

DEAR SIR: Referring to my communication of August 29, I feel so certain that the third item, protection for bank depositors, will not meet with general favor that I think it better not to ask the Executive Committee to consider it at this time. I therefore inclose substitute resolution, with this item omitted, which you may, if you please, offer for consideration in place of the original.

Yours very truly,

MYRON CAMPBELL.

Resolved, That Congress be asked to pass in substance the following amendments to the National Bank Act:

1st. Whoever, with intent to defraud, shall by false or incomplete statement of the resources and liabilities, direct and indirect or contingent, of any firm, company or corporation, body politic or individual person or persons, or by color or any false token or writing or any false pretense, obtain from any National Bank Association, either directly or through any commercial agency or broker or dealer in commercial paper, any money or credit, or the transfer of any bond, bill, receipt, promissory note, draft or check, or anything of value, whereby such National Banking Association shall suffer any loss, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be imprisoned for not less than five years nor more than ten years.

2d. It shall be unlawful for any insolvent National Banking Association to receive deposits, and every president or cashier who, knowing such association to be insolvent or who having good cause to know or believe it insolvent, shall with intent to defraud receive a deposit or permit to be received a deposit from any person or persons, firm, company or corporation, or from any agent thereof, not indebted to such association, any money, check, draft, bill of exchange, stocks, bonds or other valuable thing which is transferable by delivery, whereby the deposit so made or any part thereof is lost to the depositor, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be imprisoned not less than five nor more than ten years.

The failure, suspension or involuntary liquidation of any such association within 15 days from and after the time of receiving such deposits shall be *prima facie* evidence of an attempt to defraud on the part of such president or cashier.

3d. So amend Section 5137 that National Banking Associations may accept as security on original loans mortgages or unnumbered real estate.

Mr. Burns of West Virginia: I move that we refer the resolution to the Executive Council.

The motion was seconded and the motion being taken, it was agreed to.

RESTRICTIONS REGARDING LOANS.

Mr. Whitson (continuing): The Council refers to the Convention without recommendation a communication from N. B. Van Slyke, President of the First National Bank of Madison, Wisconsin. As Mr. Van Slyke is attending the Convention we will be pleased to have him read his paper or explain his resolution.

Mr. Van Slyke, President of the First National Bank of Madison, Wisconsin, read as follows:

Mr. President and Gentlemen of the Convention: The purpose of presenting this paper is to secure an expression of the Association in reference to the need of amending an act which since its passage the banking interest has in some respects outgrown, and in order to bring out a free discussion of any objection that appears the following is respectfully offered for consideration:

This thirtieth year of our Association as a National body of bankers has clearly demonstrated the wisdom of organization, of concerted action to secure the success we have in our undertakings, and while very much good has already resulted to the commercial and financial interests of the country through such combined efforts there still remains opportunity for further improvement, both in our methods and laws governing the same. I beg, therefore, to as briefly as possible ask your consideration as to what may be deemed advantageous to adopt.

Whether National, State, Savings or private institutions, banks in the estimation of the general public are classified as one, and whenever a failure occurs, from whatever cause or whatever class, great or small, the cry is raised, "It's another bank failure!" which for a time more or less affects the character of all and touches that important element of banking capital—public confidence—creating distrust, and is harmful to every class. Hence all banks are interested in the passage of restraining laws to protect their own stockholders no less than the security of their patrons; laws admittedly just and reasonable, such as will be enforced when enacted. We have too many laws and too little enforcement, and the popular tendency prevails to restrict, if not prohibit, many lines of perfectly legitimate trade, sometimes in the interest.

Laws unreasonable in their requirements tend to disrespect and consequent disregard; this we too often see in the daily non-observance of municipal, State and Federal acts. When considered of minor importance we are apt to overstep the line between a questionable compliance and open violation, begetting a certain spirit of lawlessness of greater or less consequence.

There should be no occasion for disobedience.

Owing to the lack of uniformity in State banking laws only the National Bank Act will here be referred to as subject to amendment, though the States are conforming their respective laws more and more to the National Act and are alike interested in improvement.

Conditions have materially changed in the past forty years, and what was once prohibited has become a banking

necessity to now adopt as being especially applicable to the class of country banks now being organized.

OF LOANS ON REAL ESTATE.

In all other cases notes and bonds secured by mortgage on real estate are legally dominated "personal" property, but by implication alone; courts have construed mortgages held by National Banks as real estate.

Section 5137 of the U. S. Revised Statutes—the National Bank Act—says: "A National Banking Association may purchase, hold and convey real estate for the following purposes and for no others, etc.; . . . "such as shall be mortgaged to it in good faith by way of security for debts previously contracted, . . . but no such association shall hold the possession of any real estate under mortgage, or the title and possession of any real estate purchased to secure any debts due it for a period longer than five years." The holding of a mortgage on real estate does not constitute possession of the real estate until purchased. It is difficult to understand the difference between the bond of a railway company secured by mortgage on real estate (which banks are permitted to take) and the land mortgage given by an individual to secure his note or bond; however, such has been the ruling, intended no doubt to guard against too permanent investments in other than strictly commercial paper. This may be well for the large banks in the so-called commercial centers—the redemption points—but for the country bank the law is prejudicial both to the borrower and the lender. There is no better asset for a country bank to hold in a limited proportion than loans secured by real estate mortgage. Country banks, at least, should therefore be privileged to accept mortgage security, say, not to exceed twenty per cent. of their loans, especially so since the only collateral a country borrower can well give is a mortgage.

OF EXCESSIVE LOANS.

Attention is also called to the provisions of Section 5200, U. S. Revised Statutes, so often quoted as limiting a certain class of loans to one-tenth of a bank's capital stock, an unreasonable restriction in many instances and so frequently disregarded that it needs amendment. Were the limitation one-tenth of the actual unimpaired capital employed the law would be respected; now it is not.

As the law stands, and with the disposition of banks to increase their surplus rather than their capitalization, the limit becomes more and more disproportionate to the *bona fide* capital, between which and its nominal capital stock there often exists such wide difference.

Other corporations are justly measured by their actual capital invested, regardless of their capitalization; why not banks in like manner?

I therefore offer the following:

1. *Resolved*, That this Association earnestly requests Congress to amend Section 5137, U. S. Revised Statutes, so as to enable or permit banks located outside of the so-called redemption cities to accept of real estate mortgage security not to exceed 20 per cent. of its loanable funds.

2. *Resolved*, That to encourage the accumulation of surplus and undivided profits of banks it is the opinion of this American Bankers' Association that Section 5200 of the U. S. Revised Statutes, restricting loans to individuals, firms, and so forth, to one-tenth of the capital stock, should be so amended as to allow such loans to the extent of one-tenth of their actual unimpaired capital employed, irrespective of the nominal capitalization.

Mr. Hamilton: I move that this excellent paper be published and that the resolution be referred to the Committee on Financial Legislation when organized. I think that there is a great deal of good in that paper, and I know that there are other questions of equal importance coming before the Association along the same line which should be embodied with that.

The motion was seconded and the question being taken it was agreed to.

Mr. Whitson (continuing): The following communication was received from the Association of American Railway Accounting Officers, and the Council refers it to the Convention for discussion.

UNIFORM STANDARDS FOR DRAFTS.

The Secretary read as follows:

ASSOCIATION OF AMERICAN RAILWAY ACCOUNTING OFFICERS,
CHICAGO, September 19, 1905.

Mr. James R. Branch, Secretary: Dear Sir—Under another cover I am mailing you this day a copy of the twentieth report of this association, and beg respectfully to refer you to page 196 thereof, whereon are set forth two resolutions (No. 1 and No. 2) adopted by this association at its last annual meeting in regard to form of drafts.

Under the terms of resolution 2 you will notice that I am directed to call the attention of the Bankers' Association to the action of this association, and to invite the co-operation of the Bankers' Association in the establishment of uniform standards for drafts.

The previous action taken by this association, and which

was affirmed by resolution 1, is set forth in memorandum attached to this letter.

I shall esteem it a kindness if you will take such action in this matter as will meet the desire of this association as outlined in resolution 2 above referred to."

This is signed by C. G. Phillips, Secretary.

Memorandum. The form of draft recommended as standard by the association embodies the following characteristics:

1. The number shall be in or near the upper right hand corner.
2. The amount in figures shall be at or near the extreme right center, followed on the next line by the amount in words.
3. The name of the bank or individual on whom the draft is drawn shall be in or near the lower left hand corner.
4. The size of the draft shall be eight and a half by three and a half inches.
5. This does not preclude the addition of a statement of accounts within the size named.

The President: If there are no objections the communication will be filed.

There were no objections and the communication was accordingly filed.

Mr. Whitson (continuing): The Council refers to the Convention a communication received from Mr. G. W. Garrels, President of the Franklin Bank of St. Louis, Missouri, and as Mr. Garrels is attending the Convention we will be pleased to have him read his paper.

Mr. Garrels read his paper as follows:

Currency Reform.

Reform of currency is an intricate and delicate question, as currency is the life blood of commerce, the arteries of which are so spread and interwoven with all phases of life in the modern system of exchanges of goods and services that a well regulated currency is one of the causes of general contentment and welfare. History teaches us that erroneous currency laws have caused innocent sufferers untold hardships, unbearable wrongs, and general misery.

In opening a discussion of currency reform, it would be desirable that bankers, professors of political economy, and statesmen should first come to a full understanding and agreement concerning the following cardinal points:

1. The nature of money, its functions, and scientific classification;
2. The duties of the Government in regard to money, and the limitations of the powers of the Government by natural, moral, and commercial laws;
3. What can be considered a modern, practical, and elastic currency system, suitable for an advanced nation opposed to privileged monopoly, without regard to the system now in existence?

After an agreement has been reached on these points, it will be comparatively easy to find ways and means of gradually approaching this desirable currency system.

Our present currency system is an inheritance of the Civil War, and consists of a patchwork of political compromises. For sixteen years during and after the Civil War this system caused the nation to suffer under the curse of irredeemable paper money. The Legal Tender Act was only justified before the Supreme Court of the United States as a desperate war measure, occasioned by a war of such vast proportions and intense energy as to cost for five consecutive years, annually, a ten years' income.

The incorrect principle of endowing due bills of the Government with the function of money showed itself in what followed the excessive issue of such bills. In accordance with the Gresham law, the good money left the country. Gold and even fractional silver coins became articles of trade, and disappeared from circulation. The circulation soon consisted entirely of enormous issues of paper money, based on the credit of the Government. All values fluctuated with the fortunes of war. Defeats of the Union armies influenced public opinion to such a degree that the consideration of the possibility of final repudiation at one time placed a paper dollar at a discount of sixty per cent. as compared with gold. These bills had to be and were redeemed at par. Thus this incorrect policy more than doubled the cost of the war. Had the war been conducted on a gold basis, as was the essence of the advice given by New York bankers, and as was lately done by the Japanese, these enormous losses could have been avoided.

The power of coining money is forbidden by the Constitution of the United States to the States, and is granted to the United States. The power over tender is forbidden to the States, and not granted to the United States.

The power of Congress to make treasury notes legal tenders has been sustained by the United States Supreme Court on such slim grounds, as that the said power is incidental to the following powers:

1. To declare war;
2. To raise and support armies;
3. To provide and maintain a navy.

When the first legal tender law was enacted Congress promised its abolishment at the close of the war. Forty years have since passed, but this pledge remains unredemmed.

We have in our currency about \$500,000,000 of overvalued silver dollars. This is merely token money. As this is largely in excess of the demand for such coins, representatives of this token money are forced into circulation in the shape of silver certificates calling for forty-five cents value and for fifty-five cents trust. The subtle trick is ridiculous and degrades the dignity of one of the foremost nations of the globe by covering up an indebtedness of nearly \$300,000,000 of the Government. This amount, representing fifty-five per cent. trust, does not appear as debt in the financial statement of the Secretary of

the Treasury. In fact, when the silver was coined, sums aggregating about \$130,000,000 were accounted for as extraordinary income, on the false assumption of seigniorage. The balance of about \$170,000,000 represents the loss in the market value of the silver since it was bought by the Government.

We all know that the National Bank note is a delusion. It is no bank note at all. It does not circulate on the credit of the bank of issue. It does not appear when the trade needs it, and it does not disappear when it has done its duty and is no longer needed. It is simply an artificial way for the General Government to borrow money cheaply. It is forced into circulation, after the Government has been in the market to sell bonds, without regard to a reserve of gold, of which every good paper money is a representative, and in which it must be easily redeemable to remain good. The National Bank note is issued without regard to the needs of trade, for the benefit of which bank notes were invented. It does not go out of circulation until it has done all possible harm by congesting the money market and demoralizing interest rates. Abnormally low interest rates in turn promote non-dividend paying enterprises, inflate prices of securities, cause relaxation of the rules for doing a safe banking business, induce merchants and manufacturers to spread out beyond the safety limit, cause them to allow their assets to become slow and fixed, and promote gambling on the exchanges of the country.

Interest rates are indications of healthy or unhealthy business conditions. Too high rates and too low rates indicate sickness in the commercial, industrial, financial, or political world. Countries with an elastic currency watch with anxiety their stock of gold on which their bank notes are based and protect the same by raising the rate of interest, which in turn is a signal of warning to every intelligent business man to contract his enterprises. The people of the United States have no such toxin, which is due to their faulty currency system. The Government will need \$200,000,000 or more for the Panama Canal and will issue \$200,000,000 or more in bonds. This will form the basis for \$200,000,000 in bank notes. Forced into circulation, this addition of bank notes will first demoralize the interest rate and then drive out \$200,000,000 in gold in accordance with the Gresham law. If we had a scientific currency law the result would be opposite. The large demand on the loan market would have the tendency to raise the interest rate, which in turn would encourage the importation of gold.

An enterprise like the Panama Canal calls for loanable capital or in other words for the savings and accumulated wealth of the nation. Only a small portion of this loanable capital will consist of the idle money seeking investment. The greater portion will be furnished by the products of our farms and of our mines, by the contents of our elevators, and of our warehouses, and the products of our factories and other forms of our wealth. The money used for this transformation as medium of exchange will be only needed temporarily and under a good currency law would disappear after it has done its service.

Under our present currency law it may happen that our circulation is increased by the full amount of the Panama Canal bonds to be issued. You are aware that Trust Companies and State Banks use National Bank notes without discrimination as reserve for deposits. You are also aware that large deposit accounts are created by loans made to customers. The increase of National Bank notes of say \$200,000,000 may, when digested by the banking mechanism, thus furnish loanable funds to an amount of nearly a billion dollars, and this without any regard to the loanable capital in existence.

Will not this be inflation against which our honorable Secretary of the Treasury has so earnestly cautioned?

All of our currency, excepting gold and gold certificates, is based on the credit of the Government. Hence, when money rates have hardened, in consequence of over speculation, of over trading, and over production, the Government is looked to for help. It is expected to keep the money market easy in order to prevent disasters. It is often blamed for a depression of business, which is only the natural reaction, and often the proper correction, of over trading. In fact, the Government is expected to put every business which is out of joint in good running order by distributing deposits of money amongst the banks. The Government should be relieved of this burden. It should be taken out of the banking business, and the currency out of politics. As long as the Government is a competitor in the banking business there can be no good financial legislation and no good banking.

Other enlightened nations have separated the credit of their Government entirely from their currency, and the time seems favorable for a similar separation of the credit of our Government from our currency system, and the building up of a new elastic currency system comprising gold and representative money readily and automatically redeemable in gold.

MONEY.

Barter has preceded trade.

Purchases and sales came into existence only where communities had singled out a general commodity which served as a common denominator, and as a medium of exchange, by comparison with which the values of other goods, or services, were measured. Cattle, shells, beaver skins, tobacco, iron, copper, tin, silver, gold, etc., have served at different times as such general commodities.

Gold, as the survival of the fittest, is now the standard of value of the civilized nations, and the medium of exchange in which the balances of international commerce are settled. Gold money, which, as such a general commodity, completes an exchange fully, and gives value for value, is therefore the only real money, and is the basis of all substitute, representative, or token money.

THE DUTIES OF THE GOVERNMENT.

The Government is properly entrusted with the charge of assaying the gold, of weighing it, and of placing its stamp upon it as a certificate of correctness of the fineness and weight, but it should not make its coinage a source of profit.

There has been hardly a government in existence which has not abused this trust. History shows us how in ancient times, in the middle ages, and in modern times, governments have committed knowingly, and unknowingly, crimes by reducing the weight of coins, or

debasement the alloy. The weight of the Roman as, which was originally twelve ounces, was repeatedly reduced until it was finally equal to five twenty-fourths of an ounce. You all know how little is left of the pound sterling silver and the pennyweight silver in the English pound and the penny of to-day, respectively.

Levying a seigniorage in excess of the actual cost of coinage is immoral, and ought to be below the dignity of the Government. The sovereign prerogative of levying a disguised tax under the designation of seigniorage, which was formerly claimed by the rulers of the different countries, is mere stealing, and the holder who uses the coin in international settlements is the loser. The coinage laws of almost all civilized nations have now recognized this principle.

The issue by the Government of its own paper money with a legal tender quality violates the theory that money is a commodity or its representative. The United States notes are not representative of money, but certificates of indebtedness. A limited amount does circulate at par as long as such notes are redeemed in real money. Lack of redemption and excessive issues soon bring losses to the holders. These notes will then pass at a fraction of their face value only, proportioned to the probability of their final redemption. History teaches us that United States notes declined to forty cents on the dollar during the Civil War, and notes issued by the Continental Congress during the Revolutionary War declined to nothing, although the latter were finally redeemed at 1 per cent. for one hundred cents face value.

Successive bad crops, an extended civil or foreign war, extravagance in appropriations by Congress, may again cause an excessive issue of paper money by the United States, unless our currency system is put on a scientific basis, and is separated entirely from the credit of the Government.

The foremost European nations have left the issue of paper money entirely to banks, because they have found that credit is extremely sensitive, and that in bad times, when redemption of paper money, for which the Government is responsible, is in doubt, the money itself may become the explosive which may eventually shatter the foundations of the Government.

Is it not wise to divorce the money question entirely from politics?

European governments, in chartering National Banks of issue, have created privileged monopolies. That such institutions could permanently exist in the democratic atmosphere of the United States is doubtful. History shows us that the two United States banks were dragged into the whirlpool of party politics and had to go out of existence, probably at the time to the detriment of commerce and of the people of the United States.

Co-operation of corporations created under general laws will give strength without monopoly, and this seems to be the proper solution of this question for the United States.

All paper money ought to be under strict control of the Government, but the burden of its redemption, with the exception of gold certificates, should be entirely removed from the United States Treasury.

As gold money is subject to wear in circulation, it should be the duty of the Government to facilitate and enforce the withdrawal of light weight gold pieces.

It is the duty of the Government to provide subsidiary or token money, coined of less valuable metals, like silver, copper, or nickel, with a limited legal tender quality, for circulation in the home country only. This should be coined in quantities sufficient to satisfy the demand fully, but not in larger quantities. The Government ought to provide for a ready distribution and redemption of subsidiary coins.

A SIMPLE ELASTIC CURRENCY SYSTEM, PROVIDING FOR BANK NOTES REDEEMABLE IN GOLD.

GOLD:

Gold, by its inherent qualities, has become, with all civilized nations, the measure of value, the medium of exchange, and the general commodity in which the balances of all commercial nations are settled. Even in silver-using countries the value of goods which are exportable, and of all merchandise which is imported, is measured by gold, though prices are expressed in silver. But these prices go up and down in sympathy with the price of silver in gold. Gold has gained this position in accordance with the natural law of "the survival of the fittest."

GOLD CERTIFICATES:

The object of gold certificates is:

To make the payment, handling, and carrying of large amounts more convenient;

To save in the expense of shipping and to reduce the shipping risk.

SUBSIDIARY COIN:

Subsidiary coin is made of sundry metals other than gold, and is of limited legal tender quality, intended only for home circulation, and therefore has less intrinsic value than its face calls for. It should not be coined in excess of the home demand for its circulation.

BANK NOTES:

The loss which gold coins suffer by circulation, the inconvenience which the transfer of large amounts occasions, the ease of increasing the circulation whenever the trade demands it, by the use of paper money, has caused all civilized nations to use substitute or representative money in the shape of bank notes.

The essential qualities of good bank notes are:

1. Absolute safety under all circumstances;

2. Ready redeemability in gold;

3. Elasticity.

By elasticity I do not mean merely increase in the amount of bank notes in circulation whenever commerce demands such an increase, but also automatic disappearance from circulation when the representative money has served its purpose. The want of a provision for a contraction of the volume of bank notes after the necessity for their use has ceased brings about a congestion of the money market, which encourages an inflation of values, unreasonable specu-

tion, and an unsafe extension of business, often leading to a financial crash.

HOW BANK NOTES ARE SECURED.

BANK NOTES:

Bank notes are secured:

By a first lien on the assets of the bank of issue;

By a district safety fund and a general guarantee fund, created by taxes on the circulation;

Jointly and severally by the combined capital of all of the associated National Banks of issue of the United States;

By a qualified guarantee of the United States of America, inasmuch as the Treasurer shall receive at par all such bank notes in payment to the Government, and that he shall not pay them to its creditors except with their consent.

By a reserve of gold, or gold certificates, to be held by each bank of issue equal to 30 per cent. of its outstanding bank notes, four-fifths of which is to be held with its redemption agent, the said reserve being held exclusively for the redemption of bank notes;

By a prohibition against including bank notes as any part of the legal reserve to be kept by a bank;

By an amount equal to the amount of circulation outstanding of easily convertible bonds, or well secured short notes not running in excess of thirty days.

THE REDEMPTION OF BANK NOTES.

Every reserve city is made a redemption city, and a certain adjoining district is attached to it and forms one banking district. If one such district is too extended, it is subdivided and an additional redemption city is created.

An office of Deputy Comptroller is established in every redemption city. The Deputy Comptroller issues bank notes to the different banks entitled to them in his district upon application; keeps the books for his district; and supervises the redemption of bank notes, and bank examinations of his district.

Every bank of issue in the district designates one bank in its redemption city as its redemption agent. Whenever any bank note reaches the counter of any bank in a redemption city, it ceases to be money. It has to be redeemed.

If the bank note to be withdrawn from circulation originated in the redemption city, it is paid by the bank of issue, canceled and delivered to the Deputy Comptroller for credit on his books. If the bank note to be withdrawn from circulation did not originate in the redemption city, but in the same district, it is redeemed by the redemption agent in gold or through the clearing house. It is charged to the bank of issue by the redemption agent and delivered to the Deputy Comptroller against his receipts.

The redemption agent advises the bank of issue of the denominations and numbers of the notes redeemed. The Deputy Comptroller cancels the notes, credits the bank of issue, and also advises the latter of the denominations and numbers of the notes redeemed.

If the bank note to be redeemed originated in another district, the said bank note is delivered by the receiving bank to the Deputy Comptroller against his draft on the redemption agent of the bank of issue in the redemption city of the district in which the note originated. A schedule of the denominations and numbers of the notes redeemed is delivered in duplicate with the bank notes to the Deputy Comptroller. A third copy of such schedule is attached to the draft, to be finally forwarded by the redemption agent to the bank of issue. An exchange charge is established for the drafts of the Deputy Comptroller, graduated according to the distance between the place of payment and the redemption city. This is allowed to the receiving bank, and is payable by the bank, the bank notes of which have been redeemed. The Deputy Comptroller cancels the bank notes and forwards them, with a copy of the schedule, to the Deputy Comptroller of the district in which the bank notes originated.

The Deputy Comptroller has charge of a sufficient supply of blank bank notes for each bank in his district, and delivers the same upon the application of any bank of issue entitled to them. If the Deputy Comptroller has on hand an application for additional circulation by a bank of issue at the time when clean, serviceable notes come in for redemption, he may reissue such bank notes instead of new ones.

GENERAL GUARANTEE FUND.

Every one of the associated National Banks is entitled to issue bank notes equal to one hundred or one hundred and fifty per cent. of its paid up capital. Each bank pays taxes on its outstanding bank notes at the rate of one-half per cent. on the first forty per cent., one per cent. on the next ten per cent., two per cent. on the next ten per cent., and so on, the rate of tax gradually increasing. The taxes received on circulation are set aside by the Government as a "General Guarantee Fund" until the amount received is equal to five per cent. of the maximum previous circulation. Whenever the income from this source is in excess of five per cent. of any previous maximum circulation, the excess is to go to the Government.

DISTRICT SAFETY FUND.

An assessment of one-half per cent. per annum is collected in each district on outstanding circulation to form a District Safety Fund until the same reaches two per cent. of the maximum previous outstanding circulation of the district. In case of impairment of said fund, or increase of the outstanding circulation, pro rata assessments are made to maintain the fund in the same proportion.

In case of a bank failure, the outstanding bank notes of the bank that failed are at once redeemable out of the General Guarantee Fund, which is later reimbursed as a first preferred creditor out of the assets of the bank that failed up to the full amount of the outstanding bank notes. In case the assets of the bank that failed are not sufficient to cover its circulation, one-quarter of the loss is made good by the District Safety Fund, and three-quarters by the General Guarantee Fund.

The object of the District Safety Fund is simply to promote watchfulness, which can be exercised more easily near by than at a distance.

The Clearing House of the redemption city appoints a committee, which assists the Deputy Comptroller in the supervision of the banks of the district, and has power to examine any member of the asso-

ciated banks of issue of the district. If an examination shows a bank to be in a failing condition, it can be closed at once with the assistance of the Deputy Comptroller.

The average circulation under the Suffolk redemption system amounted to about forty per cent. of the maximum circulation allowed, and under the proposed system would probably not exceed this rate. The graduated tax would make a high issue unprofitable, and one-half of the amount of circulation allowed would probably seldom be exceeded, except in times of stringency, when money commands sufficiently high rates of interest to enable the bank of issue to pay the higher rates of taxation.

In the foregoing I have outlined a scheme for a permanently sound and elastic currency system, in which prompt redemption prevents by itself any inflation and which is liberal enough to provide for any emergency.

The emergency circulation suggested by our Honorable Secretary of the Treasury has some good features, but it is only an addition to a currency system built up on wrong principles. The want of publicity taints the whole class of this money to the whole extent of the permissible issue and deprives bankers of an indication on which to base their judgment.

I do not ask you to indorse this scheme, but I do ask you to support me in the following assertions:

1. Our present currency system is faulty;
2. The present time is opportune for considering its improvement;
3. In considering this matter of a sound and elastic currency system, the aim should be to create a scientific currency system which will be free from the faults of the present system, will stand the test of panics, wars and political changes, will stand comparison with the best system in existence, and will be worthy of one of the foremost commercial nations of the world.

RESOLUTION.

Resolved, To appoint a committee to wait upon Congress, or the proper committees, and to ask that a commission be selected of members of Congress, professors of political economy, and practical bankers whose duty it shall be to consider, determine, and report upon:

1. The nature of money, its functions, and scientific classification;
2. The duties of the Government in regard to money, and the limitations of the powers of the Government by natural, moral and commercial laws;
3. What can be considered a modern, practical, and elastic currency system, which will stand the test of panics, wars, and political changes, and is suitable for an advanced commercial nation opposed to privileged monopoly, without regard to the system now in existence.
4. To recommend such laws as will be necessary to change gradually from our present currency system to the one agreed upon by the commission.

STANDING LAW COMMITTEE.

Mr. Whitson (continuing): The following resolution offered by Mr. Lewis E. Pierson of the New York National Exchange Bank is offered for the consideration of the Convention, with the recommendation from the Executive Council that it be adopted.

The Secretary read as follows:

Resolved, That the President appoint a standing Law Committee of five members, to whose attention shall be brought all decisions and laws on banking matters, which are or shall hereafter be at variance in different States.

This committee shall be instructed to provide ways and means to bring about uniformity in all matters of this character, and be authorized to employ necessary counsel to properly prepare and carry through its plans.

Its expense shall be limited to such appropriation as may be made by the Executive Committee, to whom all reports of expense and progress shall be rendered.

On motion of Mr. George the resolution was adopted.

NEW BILL OF LADING.

Mr. Whitson (continuing): The following communication from Mr. Pierson is referred to the Convention without recommendation from the Council.

The Secretary read as follows:

Resolved, that the President appoint a committee of five to confer with the joint committee of shippers and carriers now considering the adoption of a new uniform bill of lading.

A Member: I move the adoption of that resolution.

The motion was seconded, and the question being taken, it was agreed to.

DUPLICATES FOR LOST GOLD CERTIFICATES.

Mr. Whitson (continuing): The following communication from Mr. P. E. Kuhl, Cashier of the Lincoln National Bank of Lincoln, Ill., is referred to the Convention without recommendation from the Council that it be adopted.

The Secretary read as follows:

Whereas, Under the Act of Congress of March 14, 1900, the Treasurer and Assistant Treasurers of the United States are authorized to issue "gold certificates of deposit," payable to order of any bank or banker making deposit of gold, and

Whereas, The convenience of this method of storing gold

is recognized and taken advantage of by banks and bankers all over this country:

Whereas, The Honorable Secretary of the Treasury, under date of June 21, 1905, advised a member of this Association "that there is no authority of law for the issue of duplicates in lieu of lost gold certificates," be it therefore

Resolved, That the attention of Congress be called to this state of facts, and that it be asked to pass such laws as will enable the Secretary of the Treasury, in the event of a gold certificate of deposit becoming lost or destroyed, to issue a duplicate therefor, under the usual restrictions governing the issue of a duplicate for a lost or destroyed United States Registered Bond, and be it therefore further

Resolved, That recognizing the importance of such an act to all banking institutions of this country, the Secretary of this Association is hereby instructed to send copies of the above preamble and resolution to all Congressmen, recommending the passage of a law that will relieve this condition of affairs.

The President: I am sure the members of this Association will concur in this resolution.

On motion the resolution was agreed to.

RESOLUTION IN FAVOR OF SHIP SUBSIDIES.

Mr. Whitson (continuing): The following preamble and resolution offered by Mr. Robert J. Lowry is presented to the Convention without recommendation from the Council.

The Secretary read as follows:

Whereas, The export trade of the people of the United States is annually on the increase, and in the years to come will necessarily increase in a greater ratio than it has in the past; and

Whereas, The percentage of foreign freight carried in our own American ships has decreased until, compared with the gross amount of our exports, it is ridiculously small; and

Whereas, This is to the great disadvantage of the people of the United States from the viewpoint of proper economy in the conduct of business, besides greatly detracting from our National prestige and pride; and

Whereas, The opening of the Panama Canal will be of the greatest importance to the commerce of this country, and will render even more necessary than at present the building of more ships to carry our freight to the Oriental and other markets of the world; and

Whereas, The passage of a ship subsidy measure on the part of this Government would be a substantial encouragement to shipbuilding and be a long stride toward the upbuilding of a strong American merchant marine to carry our freight and mail direct from all our ports to foreign ports; and

Whereas, It is necessary for the maintenance of our National prestige among the civilized nations of the world that we do not allow our flag on merchantmen to become well-nigh extinct upon the seas; and

Whereas, The building of ships, thus encouraged by Government subsidy would mean employment to skilled labor as well as common labor, and would give a healthy impetus to internal trade in the purchase of all supplies necessary for the building of these ships; therefore be it

Resolved, By the American Bankers' Association, in Convention assembled:

1. That the members of this Association are deeply interested in any measure which will promote the interests of the whole country, industrially and commercially, and especially with reference to our foreign commerce.

2. That we favor and most respectfully urge the passage by Congress of some measure to foster and encourage the upbuilding of our merchant marine and give us back the prestige upon the high seas which we once enjoyed.

3. That we favor the ship subsidy measure, which has received consideration at the hands of our Congress, which we think would tend to restore our flag upon the seas and build up our merchant marine to the extent that the necessities of our trade, now and in the future, may demand.

4. That we recommend that our Senators and Congressmen favor some just and equitable measure that will bring about the results and afford the relief above suggested.

5. That through our Legislative Committee we memorialize the Senate and the House of Representatives of the United States with a copy of these resolutions.

Mr. Low, of Maine: As a member of the Association from Bath, Maine, where these ships will be built, I wish to second the motion. (Laughter and applause.)

Mr. Robert J. Lowry, of Atlanta, Ga.: Mr. President, I know of no proposition ever coming before the Association of greater importance than the one just read. Commodore Maury, 'way back in olden times, made a chart, and in his day every ship that plied the ocean sailed by his chart. He was an able officer and we are proud of him. I have been thinking that if those routes

traversed by ships in those days could be filled up by *débris*, or something of the kind, for want of use, they would have been filled up long ago if the keeping of them open depended upon the ships from the United States. Foreign nations' ships are carrying the commerce that ought to be carried by our own ships. When I presented this to the Executive Committee, and they referred it to your body, I expected it to come up yesterday, when the Secretary of the Treasury said so many good things and appropriate things upon the same subject. I do not believe it is worth my while to say another word in behalf of this proposition. I would like to see our flag on a thousand merchantmen carrying our products to every part of the globe, and the only way to do it is to let people understand that if they will build ships we will give them some encouragement. We built railroads across the continent by aid from the Government, and we can take our stuff to the ports now, but we have no ships to carry it from the seaports.

I do believe, gentlemen, that it is our duty to have some act of this kind passed. There are no people anywhere more interested in it than the bankers of America. The commerce of the country is what we make our money out of, and if the country does not prosper we do not prosper, and we should do everything in the world we can on this line, giving prosperity to the whole country, and in that way we reap benefit ourselves.

It is not from a selfish standpoint at all, because I always have held, and I hold now, that the patriotism among bankers is as great as is to be found in any other vocation in the world.

I hardly think it is worth while for me to say anything further, but I do sincerely hope that you will pass this resolution, give it your approval, or give your approval to some other proposition. (Applause.)

Mr. Parker, of Quincy, Ill.: Mr. President, I am glad that Colonel Lowry has had the courage and practical good sense to introduce this resolution in the Convention. I rise to support the resolution, and wish to state a few things in that connection. It was Commodore Perry who opened up the ports of the world under the American flag. In this day our ships have almost disappeared from the seas. Within a few days I have seen in Japan on an inland sea fifteen or twenty ships lying at anchor, illustrating what her commerce is and what war costs in the diversion and waste of commerce.

Some of you are anxious that our navy should be enlarged. Some object to the expense. I wish to make a point here. Some of the best naval officers in the navy have said to me (and this, mind you, after the Spanish War and the use of steamships which were purchased or leased in order to act as scouts), that although we might have subsidy laws passed by Congress, yet the expense of those appropriations would be very considerably held down if we would follow England and Germany and Japan in granting modern subsidies, but at the same time controlling the construction of these fast cruisers. Think for a moment of that great act of Great Britain in transporting to the Cape in a few weeks under such regulations of construction of her mercantile marine hundreds of thousands of men. We have purchased Alaska, but she is isolated. We have annexed the Hawaiian Islands. We have taken possession of the Midway Islands. By war we have acquired the Philippines. Whether or not you think we ought to be a world power, we are a world power, and we cannot help it. Now, in case of war in this country we need those vessels as much as Great Britain and Germany to protect our isolated possessions. It is said that commerce follows the flag. We must make it do so, and Congress can begin by extending by moderate and safe subsidy acts relating to trade with South America and Asia. We are handicapped in this way. We cannot manufacture a ship in competition with Great Britain, Germany or Japan for the reason that we have a high protective tariff and we have to pay so much for our labor. We pay forty or fifty per cent. more. Japan or England or Germany can

put a steamer on the ocean and save twenty to thirty thousand dollars in salaries to officers alone, and when it comes to seamen there is still greater difference. So, I say, we are handicapped in that respect.

Cries of "Question, question!"

Mr. Fletcher, of Little Rock, Ark.: Mr. President I had no idea of saying a word here. I fully indorse everything that Colonel Lowry has said, except one thing, and that is the matter of a subsidy. I am opposed to subsidy for anything. Talk to me about handicap! This great American Republic of ours has more free men, free labor and better wages than any other place on the face of the earth, and I think we are able to compete with the world in everything. I do not admit that any man has more veneration for the flag of this country than I have. And yet I am opposed to subsidies for anything. I come from the Southwest, west of the Mississippi River, where men with strong arms and brave hearts have hewed down the forests and built up a gigantic country. Why should we pay a few shipbuilders to build our ships? We are building a navy to compete with the world; we are building a navy that will whip any country on the face of the earth if necessary. (Applause.) I occupy a peculiar position probably in this Convention. Probably there are not half a dozen other men in this convention that served in the Confederate Army. I did. I do not deny it. But no man has any greater veneration for the Stars and Stripes and the honor and standing of this country than I have. (Applause.) I surrendered with General Johnston in North Carolina. I was met by the Federal Army. They said, "What are you going to do?" "I am going back home where I live." And I went home and pulled off my coat and rolled up my sleeves and went to work, as all of us did, to build up our Southern country. There is no man who fought on the Union side who will do more to build up this country than I will. (Applause.) But I say to you, gentlemen, let us not grant any subsidies. Our men are energetic and able to compete in any line of business, and when capital gets so surfeited in these big markets that they cannot loot any insurance companies any further then they will probably go to shipbuilding or something else that will pay. (Laughter and applause.) I say all this with due respect to my friend Lowry, but I hope that you will vote against the resolution.

Mr. Babcock, sitting in the gallery, said a few words in favor of the resolution of Mr. Lowry.

(Cries of "Question, question!")

The question was taken and the resolution was agreed to.

COMMITTEE ON UNIFORM LAWS.

The President: The next is the report on uniform laws. This report has been printed. The Chairman was not here and he forwarded it, and it was printed in the proceedings of yesterday.

Mr. Finley: I move that there be a committee appointed by the Chair on Uniform Laws.

Mr. George: I second the motion.

The question was taken and the motion was agreed to.

Mr. Evans: I move that discussions on the floor be limited to two minutes.

The motion was seconded, and the question being taken it was agreed to.

The President: The next is the report of the Committee on Bureau of Education, by Mr. Finley.

Report of the Committee on Education.

To the American Bankers' Association:

The efforts of your Committee on Education during the past year in connection with the American Institute of Bank Clerks have been directed toward the elevation of the standard of educational work and the consequent assurance of its permanence rather than to the increase of the number of individual students and Chapter members.

The study courses, consisting of standard text-books and collateral exercises and examinations covering the

subjects of Practical Banking, Commercial Law and Political Economy, have appealed alike to practical educators and employing bankers as well as to ambitious and industrious students in both city and country.

The association of students in Chapters in the larger cities affords opportunity to add lectures and classroom methods to individual study of text-books. In several places where university schools of finance and commerce exist Chapters have organized classes under the direction of experienced professors in which superior educational results are accomplished. It is the purpose of the Institute to extend such university alliances as far as possible.

To show the character of the preparatory work in connection with the study courses in Practical Banking, Commercial Law and Political Economy the preliminary exercises and examination questions are submitted herewith:

PRACTICAL BANKING.

The student who takes up the study of banking must have a threefold purpose: (1) To acquire familiarity with banking methods, forms and accounts as now practiced; (2) to get an understanding of the principles involved in various banking transactions; (3) to get some knowledge of the development of banking institutions in this and other countries. There is no single text-book from which all this knowledge can be obtained. On account of the broad scope of banking interests, a student who would understand the business must know much more than the routine of a banking office. Knowledge of routine is the beginning and not the end of banking education.

The course of study here outlined is intended to give the student a clear idea of the work actually done by a bank, of the risks to be avoided and of the relation of banking to industry in general. The text-books are F. A. Cleveland's "Funds and Their Uses," Horace White's "Money and Banking," C. F. Dunbar's "Theory and History of Banking," either A. R. Barrett's "Modern Banking Methods" or A. K. Fiske's "The Modern Bank." Students should also read with care the articles on banking subjects published in The Bulletin.

Answers to all questions in the following preliminary exercise should be worked out by the student, but written answers to only twenty-five of the questions are required to be submitted for purposes of examination. Each candidate should tell briefly what experience he has had in a bank and what books he has read relating to banking and finance. Number answers to correspond with questions.

1. What are the distinctive functions of a bank, a trust company and a savings institution?
2. What are the preliminary steps in the organization of a National Bank?
3. What are the relative advantages and disadvantages of National and State charters?
4. Name and describe the principal provisions of the National Bank Act.
5. What are the reserve requirements under the National Bank Act and under the laws of your State?
6. Describe the different classes of loans made by National Banks and tell why they are restricted from loaning upon real estate.
7. In the calculation of a National Bank's reserve, how are the net deposit liabilities computed? In this computation what is done with the following items: Due from other banks, due to other banks, notes of other banks, certified checks, National Bank notes outstanding, redemption fund, exchanges for clearing house?
8. Make a working plan of any bank with which you are familiar and describe the duties and responsibilities of directors and various officers and employees.
9. What information is essential in accepting the deposit account of an individual, corporation, trustee, executor, administrator or agent?
10. How may an account be analyzed so as to show whether it is profitable or unprofitable to a bank?
11. Name and describe the different books used in any bank with which you are familiar, and suggest improvements.
12. What, in your judgment, is proper identification of persons presenting checks for payment?
13. In connection with negotiable instruments, define drawer, drawee, payer, payee, indorser, indorsee, pledger, pledgee, consignor and consignee.
14. What is restrictive indorsement and indorsement without recourse?
15. What is essential in bank examination to show actual condition?
16. Make a typical report of condition and explain the principal items.
17. Describe effective and legitimate methods of building up the business of a bank.
18. What is the effect of certification?
19. Show that a bank deals in credit rather than in money.
20. Exactly what is the meaning of "money" in the saying that money is tight?
21. A bank receives interest on the notes it issues, whereas a private individual pays interest on his promissory note. How is the exaction of interest by the bank justified?
22. Show that the deposits of a bank may increase as the result of two entirely different transactions.
23. What is meant by the phrase "expansion of bank credits?"

What fixes the limit to which a bank may expand its credit? Illustrate with concrete case.

24. Describe the utility or advantages of bank notes, and show in what respect they are superior to Government notes. (Do not limit your answer to National Bank notes).

25. Explain clearly the following: Exchanges for clearing house, accommodation paper, acceptance, bill of lading, letter of credit, lawful money, certificate of deposit, check, certified check, draft, promissory note, collateral note, bill of exchange, power of attorney, warehouse receipt, cashier's check.

26. What is the "surplus" of a bank? How large a surplus must a National Bank accumulate? To whom does it belong? Why should a bank be required to have a surplus?

27. Explain how settlements are effected at a clearing house. How are balances paid at the New York Clearing House?

28. Discuss the present need for reform of banking laws in the United States.

29. What is a clearing house loan certificate? What use has been made of it in the past? Show that its use in a panic is equivalent to a pooling of bank reserves.

30. With respect to the issue of bank notes distinguish clearly between the "Currency Principle" and the "Banking Principle."

31. What is meant by "elasticity of the currency"? What are its alleged advantages? Why do not checks supply sufficient elasticity?

32. Upon whose recommendation was the first bank of the United States established? What privileges was it granted? Show why it was called the Regulator of the Currency. When did its charter expire, and why was it not renewed?

33. On what grounds did Jackson attack the Second Bank of the United States? How did he cripple it?

34. Describe the Suffolk banking system. Show that the Suffolk was organized solely for the purpose of profit and yet that it performed an excellent service for business interests in New England. Before the Suffolk Bank was organized why were the Boston banks unable to keep their own notes in circulation within the city?

35. Describe the so-called safety-fund system of banking. In what State was it first introduced.

36. When and by what State was the so-called free banking system first adopted? Why did this system fail in the first year of its trial?

37. During the panics of 1837 and 1857 in what city did banks longest maintain specie payments? Why did specie flow toward that city away from other cities?

38. What is meant by wildcat bank notes? Show why the notes of many banks were at a discount before the Civil War.

39. Describe the organization and operations of the State Bank of Indiana and discuss White's statement that it illustrates sound rules of banking.

40. Tell the story of George Smith's "money" and show why it was elastic.

41. Show that the National banking system was adopted in order to provide a market for Government bonds. What legislation was necessary with regard to the issue of notes by State Banks in order to stimulate the organization of National Banks?

42. What part of the capital of National Banks must be invested in Government bonds? Under what conditions may a National Bank issue bank notes? Why did the notes of National Banks increase between 1867 and 1880 and decrease between 1880 and 1890?

43. What are the duties of the Comptroller of the Currency?

44. In a five per cent. market what profit does a National Bank make on its circulation if it succeeds in keeping all its notes outstanding? (Assume that its notes are secured by deposit of Government 2's.)

45. Why should a National Bank not desire to take out more notes than it can keep in circulation?

46. What changes with regard to the issue of notes by National Banks were made by the law of March 14, 1900?

47. With respect to their reserves, into what three classes are National Banks divided?

48. Are the notes of National Banks elastic? Give reasons for your answer.

49. When and why was the Independent Treasury established in the United States? To what extent may it aid or injure the operations of banks?

50. Describe the Bank of Amsterdam and outline its history.

51. What are the principal features and functions of the Bank of France?

52. Describe the Bank of England and its relationship to the Government.

53. Explain the position of the Bank of England as a reserve agent for other banks. How does it seek to attract gold to England or prevent its exportation? Why is its policy often effective?

54. What are the characteristics of the Imperial Bank of Germany and its points of resemblance to the Bank of England?

55. Discuss the Canadian banking system with respect to (a) steps necessary to get a charter, (b) paid up capital, (c) reserve requirements, (d) the issue and the redemption of notes, (e) safety fund.

COMMERCIAL LAW.

The student of Commercial Law is advised to begin with White's "Business Law." At this stage the purpose is simply to get a general view of the nature of law and to add to this general view some knowledge of the more elementary doctrines as to contracts, sales, bills and notes, common carriers, agency, partnership and corporations.

After the student has gained an elementary knowledge of business law he should make a special study of the law of commercial paper. For this purpose he is advised to study carefully either Bigelow on "Bills, Notes and Cheques" or Norton on "Bills and Notes." The Banking Law articles in The Bulletin should be carefully followed.

Finally, after the student has studied carefully one of the suggested treatises on commercial paper, he must familiarize himself, by thorough and repeated study, with the statute en-

titled the Negotiable Instruments Law, which has been adopted in many States and can be found near the end of the latest edition of either of the books named in the preceding paragraph.

The following preliminary exercise gives the student, to some extent, the option of pursuing elementary topics, advanced topics, or both. The first part is composed of general questions on elementary business law, divided into groups of five. The second part is composed of practical problems on elementary business law. The third part is composed of general questions on commercial paper, including the Negotiable Instruments Law and is divided into groups of five questions each. The fourth part is composed of practical problems on the topics covered by the third part. The student should master all the questions and problems, but in submitting written answers for examination twenty general questions and five practical problems should be chosen, with the restrictions that not more than two of the twenty general questions selected should be taken from the same group of five, and not more than ten from the third part. The answers should be clear, accurate and full, giving history, distinctions and reasons as well as mere statements of rules and of definitions. In other words, the answers should resemble explanations prepared for the instruction of intelligent persons not yet acquainted with the topics discussed.

(FIRST PART: GENERAL QUESTIONS ON ELEMENTARY BUSINESS LAW.)

1. What is municipal law?
2. What are statutes?
3. Explain how law has grown through decisions.
4. What is substantive law?
5. What is a crime?
6. What is a tort?
7. What is a court of equity?
8. What is a contract?
9. What are the essential elements of a contract?
10. Do you know when infancy ceases in your State?
11. What is the effect of an infant's contract?
12. What is the effect of a lunatic's contract?
13. What is meant by a contract under seal?
14. Do you know the effect of sealing a contract in your State?
15. What is delivery in escrow?
16. Describe an official bond.
17. What is the Statute of Frauds?
18. What contracts come within the English Statute of Frauds?
19. Do you know what contracts come within the Statute of Frauds of your State?
20. Distinguish between penalty and liquidated damages.
21. How may a right of action for breach of contract be discharged?
22. Do you know what are the times fixed by the Statute of Limitations in your State?
23. Distinguish between sale and bailment?
24. When does title pass in case of sale?
25. What is a warranty?
26. What is a lien?
27. What is stoppage in transitu?
28. What is a negotiable instrument?
29. What is a promissory note?
30. What is a bill of exchange?
31. What is an acceptance?
32. What is an indorsement?
33. What is a protest?
34. What is acceptance supra protest?
35. What is accommodation paper?
36. How does a check differ from a bill of exchange?
37. What is the responsibility of a common carrier of goods.
38. Who is liable upon a contract made by an agent in behalf of his principal?
39. Who is liable for an agent's torts?
40. Who is liable for an agent's crimes?
41. What is a partnership?
42. To what extent is a partner liable for the firm's debts?
43. To what extent can a partner bind the firm?
44. How is a partnership dissolved?
45. What is a corporation?
46. In your State what are the steps that must be taken in order to form a corporation for business purposes?
47. To what extent is a stockholder liable for corporate debts?
48. Do you know what is a stockholder's liability in your State?
49. Do you know what is the liability of a stockholder in a National Bank?
50. What is the liability of a corporation from ultra vires acts?

(SECOND PART: PRACTICAL PROBLEMS ON ELEMENTARY BUSINESS LAW.)

1. Parsons writes to Bishop: "I offer you 10,000 bushels of wheat for \$7,500, you to pay as much cash down as you choose and the remainder in thirty days, with interest at six per cent." Bishop writes: "I accept." Are the parties bound?
2. I send you an offer by mail, and you send me an acceptance by telegraph, but the acceptance is lost by the messenger. Are we bound?
3. I send you an offer, saying that it will remain open a week. The next day I tell you that I find the property offered has already been sold by one of my agents. The next day you find that I was mistaken, and you accept the offer. Am I bound?
4. Your father promises to pay you \$100 if you will write this exercise successfully and if you receive a promotion in one year. Both events happen. Must your father pay?

5. In your State is it of consequence that the promise described in the preceding problem was signed and that after the signature was placed a wafer?

6. Bishop owes Parsons \$1,000. Bishop, being insolvent, asks Parsons whether he will not accept \$600 in full payment. Parsons assents, receives the \$600, and afterward brings action against Bishop for the other \$400. Who will succeed?

7. Is it of consequence that the debt in the preceding problem was not yet due when the payment was made?

8. In the same problem is it of consequence that, although the debt was due, the agreement for part payment was part of an arrangement whereby three separate creditors of Bishop made the same agreement with him and with one another?

9. I send to a painter an offer of \$100 if he will paint a certain house. He paints the house, but does not tell me that he will do so, and does not communicate with me until six months after the work is finished. Must I pay?

10. Parsons has a claim against Bishop for \$1,000. Parsons calls Bishop's partner, Dane, by telephone, and offers to give Bishop sixty days' longer time if Dane will promise to pay in case Bishop does not. Dane telephones his assent. Is Dane bound?

(THIRD PART: GENERAL QUESTIONS ON COMMERCIAL PAPER.)

1. What is the law merchant?
2. What are some of the peculiarities of the law merchant as distinguished from the common law?
3. What is negotiability?
4. What is the difference between negotiability and assignability?
5. What are the features necessary in order to render paper negotiable?
6. Who are the parties to a promissory note?
7. Who are the parties to a bill of exchange?
8. Discuss delivery.
9. At what time can suit be brought on negotiable paper?
10. What are the essential features of a bill or note, whether negotiable or not negotiable?
11. Discuss the result of designating a payee by a fictitious name.
12. Discuss the negotiability of instruments payable in installments.
13. Discuss the negotiability of instruments payable on or before a certain date.
14. Discuss the negotiability of instruments payable with current exchange.
15. What is legal tender money?
16. Discuss the negotiability of instruments payable in current funds.
17. Discuss the negotiability of instruments payable in foreign money.
18. Discuss the negotiability of instruments containing a power to confess judgment.
19. What is a joint note?
20. What is a joint and several note?
21. What power has the representative of an estate to execute negotiable paper in the name of the estate?
22. As to negotiable paper, what is the liability of an undisclosed principal?
23. What is the result of executing a bill or note without a date?
24. What is grace?
25. What is the effect of inserting or omitting "value received?"
26. Who can accept a bill of exchange?
27. Must an acceptance be unconditional?
28. Can an acceptance be revoked?
29. Must an acceptor receive consideration?
30. May an acceptance be written upon another paper?
31. May an acceptance be oral?
32. What time is allowed a drawee for acceptance?
33. What is an acceptor's liability?
34. Discuss acceptance for honor.
35. Compare acceptance and certification.
36. Compare the drawer of a bill and the maker of a note.
37. What is the liability of a drawer?
38. When is presentment for acceptance necessary?
39. What are the essential features of presentment for acceptance?
40. Must notice of non-acceptance be always given to the drawer?
41. What are the formal requisites of indorsement?
42. What are the liabilities of an indorser who is in the chain of title?
43. What are the liabilities of an indorser who is not in the chain of title?
44. What is the effect of transferring without indorsement paper payable to order?
45. What power has the representative of an estate to indorse commercial paper owned by the estate?
46. What is a special indorsement?
47. What is an indorsement in blank?
48. What is a restrictive indorsement?
49. What is a qualified indorsement?
50. What is a conditional indorsement?
51. Distinguish between presentment and demand.
52. At what place must paper be presented for payment?
53. At what time must paper be presented for payment?
54. In your State what is the law as to grace?
55. How is presentment affected by the loss or destruction of the paper?
56. In what instances is notice of dishonor necessary?
57. At what time must the notice of dishonor be sent?
58. By whom must the notice of dishonor be sent?
59. To whom should the notice of dishonor be sent?
60. Should notices of dishonor be sent by mail?
61. What kind of paper must be protested?
62. By whom may protest be made?
63. What facts excuse presentment, protest or notice?

64. What is the liability of an indorser without recourse?
65. What is the liability of an accommodation party?
66. State some absolute (or real) defenses.
67. State some personal defenses (or equities).
68. How are absolute (or real) defenses affected by estoppel?
69. What is the effect of alteration?
70. Against whom do personal defenses (or equities) prevail?
71. Is a holder for a past consideration a holder for value?
72. To what extent does negligence serve as the equivalent of notice?
73. How is a negotiable instrument discharged?
74. How is a person secondarily liable upon a negotiable instrument discharged?
75. When was the Negotiable Instruments' Law adopted in your State?

(FOURTH PART: PRACTICAL PROBLEMS ON COMMERCIAL PAPER).

1. "500. Albany, N. Y., August 19, 1905. Thirty days after date please pay to Henry Wheaton five hundred dollars out of any money in your hands belonging to me. To Messrs. Peters & Co., New York, N. Y. Joseph Story." Give all arguments tending to show that the above paper is or is not negotiable.
2. "Philadelphia, Pa., Sept. 1, 1905. I, O. U. fifty dollars. Joseph Story." Suppose that on Sept. 1, 1905, the above paper is handed to Henry Peters by Joseph Story and is indorsed by Henry Peters to William J. Wallace for a consideration of fifty dollars. If the above paper was written without consideration, are there any circumstances in which Wallace can sue Story upon the paper? Give all reasons.
3. "Baltimore, Md., Sept. 1, 1905. Three years after date I promise to pay to Williams & Co. one thousand bushels of A No. 1 hard wheat. C. H. Johnson." If Williams & Co. obtained the above note from Johnson by fraudulent representations, and if it reached the hands of an innocent purchaser before due, what reasons can be urged to show that Johnson will or will not have to pay it?
4. Wheaton wrote a note to the order of Peters and locked it in his own desk. Wheaton bribed a clerk to let him have access to the desk and took out the note, and before it was due indorsed it for value to Howard, who knew nothing of the facts. Would Howard be able to hold Wheaton?
5. Wheaton wrote a note payable to bearer and gave it to a boy to play with. The boy dropped it in the street. It was picked up by Peters. Could Peters recover on it? If Peters sold it before maturity to Howard, who knew nothing of the facts, could Howard recover from Wheaton? How would the answer be modified if Howard took the paper after maturity?
6. "Chicago, May 1, 1905. One year after date I promise to pay to the order of Henry Peters one thousand dollars, and if suit be brought hereon I promise to pay a reasonable amount as attorney's fees. Henry Wheaton." If the above note be stolen while indorsed in blank will an innocent purchaser for value before maturity get a good claim against Wheaton?
7. "Chicago, May 1, 1905. Ten years after date we promise to pay to bearer one thousand dollars at Bankers' Trust Co., New York City. At the bearer's option, payment will be made in London. The Wheaton Construction Co., by Henry Wheaton, President." If there were no consideration would a purchaser without notice from a holder of the above paper get a good claim against the makers?
8. "Chicago, May 25, 1905. Due William Peters or order forty dollars. Henry Wheaton." If Peters immediately indorses the above paper to Howard for value, does Howard take a right of action against Wheaton and is it free from all personal defenses?
9. A signs and delivers to B a note to B's order and for B's accommodation. Can B recover from A on the note? If B indorses it for value and before maturity to C, who knows it to be accommodation paper, can C recover from A?
10. A makes a note in favor of B or order. The note is obtained by fraudulent representation. B indorses to C, who pays no consideration and has notice of the fraud. C indorses to D, who pays no consideration and has no notice. D indorses to E, who pays consideration and has notice. E indorses to F, who pays consideration and has no notice. F indorses to G, who pays no consideration and has notice. G indorses to H, who pays no consideration and has no notice. H indorses to K, who pays consideration and has notice. K indorses to L, who pays consideration and has no notice. L indorses back to B, who pays consideration. Suppose that all the indorsements were made before maturity, which of the foregoing parties, if he happened to have been the final holder, would have been able to recover from A, and which unable?

POLITICAL ECONOMY.

The student of Political Economy should first carefully read C. C. Adams' "Commercial Geography." He should lay the foundation of his study of Political Economy by acquiring a knowledge of the general facts of commerce and industry, the climate and geographical factors affecting production, and of the agricultural, manufacturing and transportation industries of the United States and of other countries.

On the basis of these facts and of whatever business experience the student may have acquired he should then study Charles Gide's "Principles of Political Economy." The difficulty of political economy lies in its apparent simplicity. It deals with business methods and problems. It calls for a knowledge of practical business, but, much more fundamentally, it calls for capacity to generalize, with a view of constructing the general principles under which orderly human society organizes itself to satisfy its physical needs. Like every other science, Political Economy has its peculiar terms and distinctions. These must be mastered.

For more advanced work A. T. Hadley's "Economics" is suggested. It should be read with extreme care, with a view to acquiring a proper point of view from which to approach modern economic problems and also to becoming familiar with some of the leading controversies.

The "Report of the Monetary Commission" contains a full treatment of the subjects of Money and Credit. Pages 77-489 should be studied. The text of the money and banking laws (pages 493-543) and the statistics on pages 547-582 should be worked over in connection with each appropriate chapter. Valuable articles on economic subjects will also be found in The Bulletin.

Answers to all questions in the following preliminary exercise should be worked out by the student and be submitted for examination. Answer the questions concisely but fully. Follow the order of questions as given below. Number the answers to correspond with the questions.

(ADAMS' COMMERCIAL GEOGRAPHY).

1. What has determined the position of large cities? Illustrate by reference to the leading cities of America and Europe.
2. Describe the predominant surface forms of the United States.
3. The history of the distribution of the manufacturing industries of the United States.
4. The agricultural resources of Italy.
5. The leading industries of Australia.
6. The climate, products and commerce of Hawaii.
7. (a) The various methods of gold production; (b) the leading gold-producing countries in the order of their importance.
8. (a) The centers of the pig iron industry of the United States; (b) of the iron ore industry (giving their relative importance).
9. (a) Where and under what conditions is hemp produced? (b) where and for what purpose is it consumed?
10. (a) The different kinds of sugar; where are they produced? (b) their methods of production; (c) the relative importance of sugar consumption among various nations.

(GIDE'S POLITICAL ECONOMY).

11. Distinguish between (a) the laws of a nation, (b) the laws of physics, and (c) the laws of political economy.
12. What forms of wealth are capital?
13. The origin of the right of property.
14. Enumerate the various theories of value.
15. Define and illustrate the law of diminishing returns.
16. Discuss Ricardo's theory of rent.
17. Distinguish between (a) the laws of a nation, (b) the laws of profits.
18. The origin of money.
19. The difficulties of co-operative production.
20. The history of protectionism.

(HADLEY'S ECONOMICS).

21. Distinguish between public wealth and private wealth. Illustrate by reference to modern times.
22. The economic advantages of the emancipation of slaves.
23. Describe in detail the operation of competition in establishing prices, and illustrate to show various forces that drive prices up or down.
24. What distinguishes gambling from speculation?
25. Describe the overproduction of machinery and its results.
26. Describe the elasticity of bank deposits and its connection with the currency of the country.
27. Distinguish between commercial rent and economic rent, with illustrations.
28. What is the so-called "wage fund theory"? Show that it is not tenable.
29. Various methods of co-operation between labor and capital, and what are the difficulties of profit sharing?
30. What is a favorable and what is an unfavorable balance of trade?

(REPORT OF THE MONETARY COMMISSION).

31. Describe in detail all the coins of the United States, their origin, size, legal tender and quality, and the means of redeeming them.
32. Distinguish money as a measure of value and as a medium of exchange. What qualities are essential to each?
33. How does token money differ from standard money? Illustrate by reference to existing conditions in the United States.
34. Summarize the experience the United States had with its silver currency from 1878 to 1895.
35. The origin of the National Banking system and Secretary Chase's part in solving it.
36. Describe precisely what is meant by "bank asset currency," the advantages claimed for it, and the arguments of those opposed to such currency.
37. Enumerate the banking systems of the world that have branch banks. What inferences can be drawn from their experience?
38. When was the Resumption Act passed, and what were its provisions, and how and by whom was it carried out?
39. Summarize the effect of paper money issues on the cost of the Civil War.
40. Summarize the effect of paper money issues upon the prices of various commodities and upon wages.

RESULTS AND PROSPECTS.

There are now thirty-seven Chapters of the Institute, with a total membership of 5,350, being an increase of over a thousand during the past year. The number of students outside of Chapters cannot be accurately given, for the reason that there is no way to ascertain who they are until they apply for examination papers. There are at present 299 applications for preliminary examination in Practical Banking, 178 in Commercial Law and 199 in Political Economy. Judging from text-books ordered through the Institute or direct from publishers it is estimated that

there are between 2000 and 3000 students at work on the study courses.

Fifty-one students have already passed the preliminary examinations in Practical Banking, eight in Commercial Law and thirty-six in Political Economy. A record of 75 per cent. is required in passing any preliminary examination. Twenty-six students have attained a percentage of over 90.

Considering the high standard maintained, these results are more than satisfactory, and the first final examinations for certificates arranged to be issued by the American Bankers' Association jointly with the Institute will be held during the coming winter. Such final examinations will be conducted under the supervision of local moderators, who must certify that students examined have written their answers to questions within the specified time and without assistance of any kind. It is expected that a select few will meet requirements.

The only criticism of the educational standard established by the study courses and examinations is that it seems too high, but in view of the fact that the demands of the banking business are for more thoroughly equipped men at the top, rather than more superficially equipped men at the bottom, your committee looks upon such criticism as indirect indorsement and not disparagement. Any lower standard would certainly not be in keeping with the character of the American Bankers' Association.

The contract heretofore existing under which a portion of the work of the Institute was conducted by outside parties has been terminated, and the direct management of every department is now in the hands of the Trustees.

Your committee appreciates the cordial support thus far given to its work by the members of the American Bankers' Association, collectively and individually, and will endeavor, by a judicious combination of enterprise and conservatism, to merit a continuance of your invaluable approbation. Respectfully submitted,

J. B. FINLEY, Chairman.

The President: The next is the report of the Committee on Currency. Mr. James M. Donald, the Chairman, is not here, and Mr. Pugsley will submit the report.

Mr. Pugsley submitted the following report:

Report of the Currency Committee.

To the American Bankers' Association:

The Currency Committee has questioned the advisability of presenting a report, owing to the absence in Europe of the chairman of the committee, Mr. James M. Donald, of New York. Public sentiment, however, as expressed by individuals and through the banking journals of the country, seems to demand that the question of currency reform should be presented at this great convention, especially as it convenes in the capital city, the seat of all Federal legislation.

THE QUESTION OF REFORM.

It is an exceedingly intricate problem and yet one upon which the bankers of the country should be willing to give an expression of opinion. Experience as a member of the Banking and Currency Committee of the House of Representatives has led to the belief that if the bankers of the country could agree upon some definite, sound, practical, sane plan of currency reform, and unitedly and strenuously urge it upon the members of Congress, favorable and desirable legislation might be secured.

RETIREMENT OF UNITED STATES NOTES, OR LEGAL TENDERS.

United States notes, or "legal tenders," should be retired. Borrowing on demand, either by the individual or by the Government, unless there are resources immediately available, is fraught with danger to both Government and individual. It cannot be justified in any country, except in such emergencies as led, possibly, to the original issue of the legal tenders, or "greenbacks." It is obvious that they are debts of the Government payable on demand. A strong, prudent Government should avoid the danger arising from pressure and panic by

providing that all obligations, as far as practicable, should be, not on demand, but on time. It would seem the part of wisdom to retire the legal tenders when the country is prosperous, rather than in the throes of panic, when the danger of such a currency and the necessity for its retirement are, possibly, more apparent. It may be that heroic treatment will be needed, and that a long time bond, payable at the pleasure of the Government, bearing an exceptionally low rate of interest, to be used specifically for bank circulation and public deposits, shall be issued to provide for their retirement. "The way to resume, is to resume." The way to retire, is to retire.

INTERCHANGEABILITY OF SILVER AND GOLD.

It is not even probable that any future Secretary of the Treasury will depart from the policy of his worthy predecessors, who have so ably maintained the parity of all forms of money coined or issued by the Government, although no express statute existed or now exists for the interchangeability. But if the silver certificates, silver dollars or silver coin are to be kept interchangeable with gold under all conditions that may arise, a reserve fund of at least \$150,000,000 should be set aside to provide for the redemption in gold of about \$600,000,000 of silver outstanding. If the silver certificates are not issued in larger denominations than five dollars, it would seem that a reserve fund of \$150,000,000 in gold should be sufficient to protect the Treasury. Provision should be made so that no one could question at any time the value of any dollar issued or coined by the Government of the United States.

SURPLUS FUNDS IN THE UNITED STATES TREASURY.

The Secretary of the Treasury should have discretionary power to deposit in the national banks such portion of the surplus funds in excess of \$50,000,000, whether derived from customs receipts or internal revenue, as he may deem proper, to prevent absorption of money by the Treasury. Such deposits should be guaranteed by United States bonds, or other securities acceptable to the Secretary of the Treasury. No reserve should be required against Government deposits in our banks, as they are secured by the pledge of United States or other bonds. If practical, interest should be allowed the Government upon these deposits.

CONTRACTION AND EXPANSION OF THE CURRENCY.

We complain about the rigidity of our currency system, and yet we have a cast iron rule or law that will not allow national bank circulation to contract or expand, except within the most prescribed limits. There should be an early amendment or repeal of the present limitation of \$3,000,000 per month upon the withdrawal of circulation, and either no limitation should be placed upon the withdrawal or the limit should be increased to \$6,000,000 or \$10,000,000 per month, so that expansion and contraction might, in a measure, be automatic.

SUPPLEMENTARY CURRENCY.

An additional or supplementary currency, other than that secured by United States bonds, might be issued in times of great financial stress along the lines suggested by Secretary Shaw, so as to appear identical with the present national bank note, but heavily taxed to insure its retirement when the conditions which brought it into existence had passed. As the Honorable Secretary has said, we should not inject into our circulating medium any new form of money that might become an element of alarm, neither should we advertise its existence nor our extremity. Such a currency, in consideration of the heavy tax laid upon it, should be guaranteed by the Government, and the usual 5 per cent. fund should be maintained, as provided in the present law. If banks holding 50 per cent. of their capital in Government bonds were allowed to issue a limited amount of supplementary currency it might prove a desirable remedy in time of panic. Its redemption could be accomplished by the individual bank depositing in any sub-treasury an equal amount of lawful money.

It may be questioned whether the time has come in this country for any departure from our present system of national bank circulation, although a supplementary currency might be made perfectly secure and a valuable addition to our system, as suggested by Secretary Shaw.

The enormous output of gold, amounting throughout the world to about \$1,000,000 per day, the major part of which the United States undoubtedly receives from its own mines and trade relations, provides for an increase in the circulating medium, which, while it may not eliminate the necessity for a supplementary currency, may in a measure lessen the demand.

In any discussion of currency reform it should be remembered that the banks are the servants of the people, not the masters, and that reform should not be in the interests of the banks alone, but in the interests of all the people. We should desire and expect the American dollar to be the world's standard of value, and our currency system to equal or surpass that of any other nation on the face of the globe, but only by the most conservative legislation can this be accomplished. Public opinion in this country should be so strongly and so thoroughly grounded in the great foundation truths of finance and currency that we should not only be right but stay right. These problems are well worthy the consideration of this convention, representing so largely the banking, financial and commercial interests of the country. A sound, stable and responsive currency is one of the greatest bulwarks of national greatness, glory and power, and one which will prove of inestimable value to its business interests.

CORNELIUS A. PUGSLEY.

The President: The next is the report of the Committee on Cipher Code.

Mr. Blossom submitted the following report:

Report of Committee on Cipher Code.

Upon the recommendation of the Executive Council the Convention held in New York in 1904 instructed the President of the American Bankers' Association to appoint a committee with power to act on a resolution filed with the Executive Council for presentation to said Convention, having for its object the establishment of a cipher telegraphic code for the exclusive use of the members of this Association. Acting under the authority thus delegated to him the President chosen to office in New York appointed as the members of said committee Mr. James G. Cannon, of New York; Mr. W. T. Fenton, of Chicago, and Mr. Frederick F. Blossom, of Peoria. Immediately upon its appointment the committee began its labors, and after a very careful consideration of the subject arrived unanimously at the conclusion that the creation of a cipher code for the purposes and in the manner set forth in the resolution of record was feasible and desirable and would be beneficial to the American Bankers' Association and to its membership.

The committee then proceeded to construct a code sufficiently broad and comprehensive for the general and probable uses of the Association, omitting such material as was deemed unnecessary for a code of the character and scope contemplated. Having finished the task set for it the committee on February 28, 1905, filed the following statement with the Secretary of the American Bankers' Association, to wit:

We, the undersigned members of the committee, with power to act, appointed by the President of the American Bankers' Association under authority of the annual convention of said Association held in the city of New York September 14 to 18, 1904, do hereby submit the annexed cipher telegraphic code and recommend its distribution to the membership of said Association for the purpose of such use thereof solely as an instrument of convenience and economy, and without responsibility on the part of the said American Bankers' Association, as each member may for itself determine to make under the rules, regulations and restrictions therein contained and hereby made a part thereof; and we further hereby direct and authorize the Secretary of said Association to have ten thousand (10,000) copies of said code printed and bound in suitable form, and also further direct and authorize the said Secretary to furnish a copy of said code as thus printed and bound to each member of the American Bankers' Association in the manner specified in a

certain resolution relative to the preparation of a cipher telegraphic code presented to the Executive Council of the American Bankers' Association at its session in the city of New York Tuesday, September 13, 1904, and we further hereby request and authorize the said Secretary to make certain changes of the key words at such intervals as his judgment may direct, according to the manner specified in certain of the instructions aforesaid accompanying said code which have already been made a part thereof, as above stated.

As the delegates to the Convention are aware, the code has been published and distributed by the Secretary in accordance with the directions of the committee. In concluding its report the committee takes the liberty of emphasizing the following propositions relative to the code—namely:

1. The code is furnished to members by the Association simply as an instrument of economy and convenience and without responsibility on the part of the Association.

2. The code is designed particularly for use between members having no established code connections together, and is not intended in any way to supplant private codes in use between banks and their correspondents.

3. Inasmuch as the code is *standard* as between members having no established relations together, it is to be *assumed* by members receiving cipher messages from other members of this Association with which they have no regular connections that said messages are to be translated in terms of the Association code. Should members, however, occasionally desire to communicate by means of the code with other members of the American Bankers' Association with which they additionally have private code connections the fact that the code of the American Bankers' Association is to be employed in translation in such instance may be particularly designated by the sender of the dispatch in such manner as circumstances may at the moment seem to render most desirable.

In order that confusion may be avoided and that no unnecessary delay may ensue in translation it is hereby suggested in all cases in which members of this Association communicate in any other cipher telegraphic code, except that of this Association, with others members, with whom they have no regularly established code connections, that senders specifically designate the code (Lieber, Western Union, State Association, &c.) used by the employment of some "indicator" (either word or phrase) at the beginning of the message. By means of this "indicator" the receiver of said message can readily determine what code is to be employed for the purpose of translation.

Members of the American Bankers' Association in communicating with one another by means of the official code may likewise employ an "indicator" of their own choosing, if they deem such action desirable.

As already stated, however, the official code of the American Bankers' Association is to be regarded as *standard at all times* as between members having no regularly established connections together, and on that account, after careful consideration of the matter, it has been decided that it is unnecessary, and further, that it would be unwise to create an "indicator" to be employed in connection with messages written in terms of the official code of the American Bankers' Association.

Respectfully submitted,

FREDERICK F. BLOSSOM,
W. T. FENTON,
JAMES G. CANNON,
Committee.

The President: It affords me great pleasure to present to you Mr. Robert Blyth, Manager of the Union Bank of Scotland. (Applause.)

The Scotch System of Banking, by Robert Blyth, Manager of Union Bank of Scotland.

[Mr. Blyth's paper in full will be found on pages 87 to 89 of this publication.]

Mr. Oliver S. Bond of Toledo, Ohio: Mr. President, I move that the thanks of this Association be extended to Mr. Blyth for his most excellent address.

The motion was numerously seconded, and the question being taken it was unanimously agreed to.

Practical Benefits of Membership in the American Bankers' Association, by Mr. Walker Hill, President Mechanics' American National Bank, St. Louis, Missouri.

[Mr. Hill's paper in full will be found on pages 97 to 98 of this publication.]

CALL OF SECTIONS, NORTH, SOUTH, EAST AND WEST.

Mr. Fletcher, of Little Rock, Ark.: Mr. President, I had no idea of saying a word here to-day, but when the South is called I want it distinctly understood that your humble servant is present and always has a good word to say for that section. (Applause.) I hate a man who does not love his own native soil; I hate a man that does not admire his own people. I hail from the South. I had not a moment's notice that I was going to be called on, and if any one else from the South had responded before me I would have had nothing to say.

We live in the land of cotton. We live in a land where God Almighty has given us sunshine and rain, and I can say also reasonable prosperity. We live in peace down there. As you all know, we have had a terrible time there in the last fifty years, but we are now coming to the front. We are progressing now. When people imagine that the negroes of the South are idle and the whites are in turmoil they are mistaken. We live down there in peace with our former slaves; former masters and slaves now work side by side for the upbuilding of that country and the advance and prosperity of this great republic of ours. (Applause.)

Last year we raised over 14,000,000 bales of cotton. In the days of slavery we never raised over 4,000,000 bales. See what free labor is doing for that country! That 14,000,000 bales of cotton was worth over \$700,000,000 in gold. The seed from that cotton was worth more than \$70,000,000. So you see the seed that comes out of the cotton is worth more than the gold that is dug from any State in this Union. As a matter of fact, cotton does more for the human family in the way of giving employment than any other commodity on the face of the earth. From the time that the plow starts in the spring employment is given through the summer, during its cultivation and during picking time, until it is finally ginned and shipped to all the world. It not only gives employment to the workers in the field, but it gives employment to workers on the steamboats and the railroads, and then, later, when the cotton arrives in England, or wherever it is manufactured, it gives employment to the mill workers there. But we are manufacturing cotton goods in the South now. Just think, over 2,000,000 bales of that cotton is now spun in the South, as against 2,000,000 bales of it spun in the North. So in our entire country we spin over 4,000,000 bales of cotton. Sixty-one per cent. of that cotton is shipped abroad. That means \$300,000,000 of money. That attends to our balance of trade and the exchanges between Great Britain and the United States.

The President: The gentleman's time has expired.

Mr. Fletcher (continuing): Gentlemen, my time is up. I have been called down. I did not tell you all I wanted to about the South, but the cotton question is a great question in this country.

The President: The gentleman's time has expired.

Mr. Fletcher (continuing): I simply want to add that the South is in the Union, and she is there to stay. When this country is invaded, remember what I say to-day; you will see the men of the South rallying around the flag as they did in Mexico and at New Orleans.

The President: The gentleman's time has expired.

Mr. Fletcher: I beg your pardon for trespassing, but coming from the South I felt it incumbent to say one word. Let me tell you—

Mr. Bennett of Boston: Mr. President—

The President: Mr. Bennett is recognized.

Mr. Bennett: I have some diffidence in speaking, because I am simply a delegate coming here as a Director in a small sized bank in the city in which I live. Some of the gentlemen here are not accustomed to think, even, in less than millions of dollars, but I felt I must get up and assure you that Boston is still on the map.

Mr. Fletcher: Just one minute. (Laughter.) I have a boy at Harvard College to-day. I am not boasting, but it shows you the feeling we have in the South. We love this

country, because it is our country. I am glad to see my friend from Boston get up. Let me tell you—

The President: The gentleman is out of order.

Mr. Fletcher: Let me tell you (laughter)—anything I can say or add to the comfort and pleasure of this Convention I will do it. (Laughter.) I do not believe in belonging to a crowd that says "Aye" to everything. I did not agree with the gentleman from Georgia in his resolution—

The President: The gentleman's time has expired.

Mr. Fletcher: I am done. I thank you for your kind attention.

The President: The gentleman from Boston is recognized.

Mr. Bennett: I am very glad to listen to the gentleman from Arkansas, and, like most of the speakers here, at some time during the course of his remarks he gets around to Plymouth Rock, or the Pilgrims, or Boston. I am a Director in an institution in Boston, and I had not taken very much interest in it, but since hearing the address of the Comptroller of the Currency yesterday I have concluded to take an interest in it. In fact, my case is very much like that of one of two drummers who met upon the street and one said to the other: "Tom, how is business?" Tom said: "Pretty good, I have an interest in the business now." "I congratulate you," said the other, "when did it happen?" "Yesterday; the boss called me into the office and he said: 'Tom, if you don't take more interest in the business I will discharge you!'" (Laughter.)

Now, when I took some stock in the bank to please a friend I supposed I was purely ornamental, but I find the rugged and wholesome utterances of the Comptroller of the Currency and the bank examiners have put a different interpretation upon it, and I propose to take an interest in it.

Boston does not always get the credit that it deserves. When I first began to know about business matters, about 25 or 30 years ago, there were 52 National Banks in Boston. Now there are but 30 National Banks. But you notice when Mr. Vanderlip was talking yesterday and wished to place the highest encomium upon the Middle States he said that some time or other the Middle States would be as important an investment center as Boston.

In Government reports and printed books the population of Boston is 500,000 or 600,000. As a matter of fact, it is a million and a half. I went to Chicago with some gentlemen once and somebody assured us that our welcome was 120 miles long and 10 miles wide. Boston has not taken in suburbs to that extent. There have been differences of opinion as to the ringing of the curfew bell and as to the issuing of liquor licenses and so on, and so the individuality of the little municipalities around about has been maintained; but in 10 miles around Boston there are a million and half of people, and there is more wealth per capita there than in any other city in the United States.

I am aware that the bank deposits accumulate in New York City, and one of the most amazing things that was told us yesterday by the Secretary of the Treasury was that the commerce passing by Detroit is greater than the commerce of New York, London and Liverpool combined. Another thing which I notice particularly about that is that the commerce *passes by*—it does not stop there. And so with the deposits in New York City as compared with the wealth of Boston.

So, Mr. President, I wish to tell you that Boston is still on the map, and the things which we are particularly proud of are not that it is near Plymouth Rock and Bunker Hill alone, not that it has Harvard College, to which my friend refers with pride as the place where his son is, not that it is the greatest investment center in the United States, but that it is in the same country which contains New York, Chicago, Detroit, Little Rock, Arkansas; the same country which is becoming the greatest nation on the face of the earth. (Applause.)

The President: I hope the members will understand that we are glad to hear from all of them. We are glad to hear from any member present as to the business conditions in their respective sections of the United States.

Mr. Campbell, of Illinois: Mr. President, I come from a State which I feel proud of, a State which gave the nation Lincoln and I live a little south of where Grant lived. John A. Logan also came from our State and many other distinguished men whom you all know of. We are proud of them. They are now dead and gone, but we have about 5,000,000 left. Perhaps the great majority of them are good and sturdy

farmers. While we do not raise cotton, we do raise corn and hay and stock, and we are being heard commercially in that way. I am glad to say that our crops this year are very flourishing and our State generally is in a most flourishing condition. I simply want to give you this report from Illinois. (Applause.)

Mr. Havill, President Merchants' National Bank, St. Cloud, Minn.: Mr. President, from the rolling prairies of her Southern boundaries to the evergreen forests of her Northern line, the hum of the wheels of her manufacturing plant, and the lowing of kine ascend to Heaven, a powerful anthem indicative of the happiness, prosperity and gratitude of the people living in Minnesota, the bread and butter State.

We are a State of diversified industries, a State of no total failures. We will ship products from our State this year ranging from catnip leaves to 21,000,000 tons of iron ore. Cattle bred within our State in competition with the world's captures the first prizes. The Father of Waters rises within our State, and it and other streams turn the wheels of manufacture, furnishing cheap power and creating innumerable industries which, in turn, dispense immense sums to their employes. Our farmers raise and market almost all the products of an American farm. We are a State that is an empire within ourselves, not dependent on any State or country for our maintenance; we can furnish the necessities and most of the luxuries of life, and also confer culture and intellectual development if necessary for a complete existence, from the cradle to the grave. A child born in the State of Minnesota may be nourished upon the purest milk in the world, coming from the product of 2,000,000 dairy cows. As he grows older that child's life will be sustained on edibles produced in the State of Minnesota, from breakfast foods to moose meat; he will be clothed in clothing manufactured from the fleece of Minnesota sheep; he will be educated from our sixteen million dollar public school fund; he may be enrolled in our College of Agriculture and associated there with peoples who come from all over the United States, from Maine to California, and from foreign countries. He may become one of the princes of humanity and care-free, a Minnesota farmer. At our university he may imbibe of any profession which he may choose, or he can enter many successful manufacturing industries now established in the State, which build anything from a fish hook to a whale-back vessel. We can furnish him a helpmeet from among the fairest women of the Union; he can spend his days in a land fanned by the health giving breezes which filter through our pine forests, and when he has passed away we will erect upon his grave a monument of time enduring granite. (Applause.)

The President: The gentleman's time has expired.

Mr. Havill (continuing): In conclusion, I want to say that the demand for mechanics and laborers was never so great or wages so high as now in Minnesota, that a large percentage of the workingmen own their own homes. These being facts, it necessarily follows that the banking business is pleasant and profitable. The North Star State sends her sister States a greeting. She hopes you are all enjoying the same prosperity. (Applause.)

Mr. Moses, of Kansas: Mr. President, the West is naturally modest, being composed of the children of the East and South and North sent West to open up that once uninhabited territory, to carve out an empire greater than any in the world. What she has done is a matter of history. Over 24 States and Territories now exist in that section, and in agriculture and minerals and cattle the West is now equalling or exceeding the East.

In my own State, a small part of the "Great American Desert" we have to-day 489 State Banks, 18 Private Banks and 171 National Banks, with a capital of over \$20,000,000. We have deposits over \$118,000,000, with loans over \$89,000,000, an increase in loans of over \$8,000,000 compared with last year, and with over \$47,000,000 in cash—over 39 per cent. of the deposits. Kansas is now in a normal condition, her pulse beats regularly and her people are happy. For the past seven years she has made more progress than in any fourteen years previously. Kansas has always been loyal, it has always been a foremost State in the progress of civilization and the rights of all mankind. She stands today as the beacon light and the tower from which springs all of the good, and I might say all of the evil, which in the end is sifted out and is for the betterment of mankind. She contributes liberally to everything for the advancement of the East, not only in insurance, but is willing at all times to give to all of these institutions enough for them to live upon well, but she is opposed to any one hundred thousand

dollar banquet or million dollar summer residence of any presidents of insurance companies. (Applause.)

Mr. Burgwyn of North Carolina: Mr. President, twenty years ago it was my fortune to attend a meeting of the Bankers' Association in North Carolina. It was then in order for the call of sections to be made, as now, and I sat there representing a bank in North Carolina and listened, among other speeches, to a speech from a gentleman from Massachusetts, and heard him say of that State that it really comprised more wealth than was embraced in eight or ten of the Southern States, and I felt, sir, that it was proper for me on that occasion to remain silent. Twenty years from that time, to-day, I feel differently about it. I can say to the delegates present here to-day that our Southern land in the last four years has increased its taxable property \$225,000,000 a year. It is not only our locality and our material progress that we are proud of, but we are proud of the character of our population, of our people down there. We have down there, sir, men who work hard, live quietly and unostentatiously and die poor. But, sir, although they do not leave legacies large in the way of money they leave valuable legacies in the way of character, and that is better than the accumulation of money.

As our friend from Arkansas has said, we of the South are devoted to the Union; no longer is there any North and South, East and West; in spirit we are one people. But I differ from our friend from Arkansas in one thing he said. I am a Democrat, and always have been, but if the question were to come before me I would vote for a subsidy from beginning to end. We have to protect our foreign possessions, and how can we do it without ships and sailors? In case of a foreign war how would you get the men on the Philippine Islands or on Hawaii or our other foreign possessions unless we had the ships? I am in favor of subsidizing them and making us a great country.

A Union of hearts, a Union of hands,
A Union of States no one may sever,
A Union of thought, a Union of men,
The American Union forever.

(Applause.)

Mr. Livingston, of Michigan: Mr. President and gentlemen of the Convention, I am not going to occupy your time at this late hour with a lengthy speech about the wonders of Michigan. You will probably remember what has been said about Michigan, "if you want to see a beautiful peninsula look around you." I will not occupy your time in telling you about our wonderful copper mines which exceed all others in richness and value. What I want to do is to extend an invitation to the American Bankers' Association here assembled to meet in the city of Detroit in 1907. I had hoped to come here and extend an invitation to you to meet with us next year, but, unfortunately, on account of some complications which have arisen in our hotel facilities, a number being under construction, and it not being certain exactly when they will be completed, we have thought it advisable, in order to be absolutely sure to be able to take care of you all, to invite you to meet with us in 1907 rather than next year. I want to extend this invitation as a caveat, to forestall any others that may come in for that particular year.

I assure you that the bankers of the State of Michigan and the city of Detroit, those of us who live there and who think it is the most beautiful city in the United States, will do their best to entertain you and make your stay there pleasant if you honor us with the Convention. We certainly have a hospitable people, and my friend Russel, sitting back here on the platform, at one time said that we have the most beautiful women in the United States. Each and all of us extend to you a most hearty invitation and assure you that all the hospitality for which Michigan is noted will be extended to you in 1907 if you will kindly consider our request to hold your Convention in Detroit at that time.

I thank you very much for your attention. (Applause.)

A Delegate: Mr. President, may I make a response of one minute in behalf of a gentleman from Spokane, Washington?

The President: We will be glad to hear you.

The Delegate (reading): Response by D. W. Twohy, President of the Old National Bank of Spokane.

Washington is the richest State in the Union. We have the most productive soil—which will grow sixty bushels of wheat to the acre—finer fruit than New York, and all agricultural products in abundance. Our fisheries supply a large portion of the country. We have more timber than Michi-

gan, Wisconsin or Minnesota ever had, and are only just beginning to manufacture it. We have more coal than Pennsylvania, more iron than Minnesota, 40 per cent. of the lead produced in the country comes from the Cœur d'Alene district of Idaho, 100 miles from Spokane. In the production of precious metals we will soon outstrip Colorado. We are doubling our population every five years, and hope to do better.

Mr. Thatcher, of Denver, Col.: Mr. President, Colorado is far away from these old States. We have been hearing about their advantages, and I would be glad to make a few remarks in behalf of Colorado. We have had some trouble in our State in the last year or two. We have been cursed with labor troubles and damned by politics, but we are all right now. Our Supreme Court has taken jurisdiction of things; in fact, has taken jurisdiction of everything from a dog fight to an election, and has settled affairs so that we now have peace and prosperity. I want to say a word about our products and resources, something that all bankers want to hear about. You may talk about your cotton and your corn and everything else, but you have to find a market for all of these things, and you overproduce them at times. But you do not overproduce gold, and that is our main product. This year, 1905, will be a banner year with us. We are producing now in three-quarters of the year passed at the rate of over \$30,000,000 of gold per year, to say nothing of other minerals, such as copper and zinc and lead. You observe that I have not mentioned silver, because I do not want to cause a panic in the Convention (laughter), although we produce a little silver, too.

Outside of that, gentlemen, I wish to call your attention particularly to the fact that we are not exclusively a mining country; we are now engaged largely in the production of sugar beets. Less than five years ago there was not a sugar beet planted in the State of Colorado, to-day there are 50,000 acres of beets planted, and our products from sugar beets range from \$12,000,000 to \$14,000,000 this year. From that you can see that we are not entirely a mineral State.

I wish to state to you bankers who occasionally take a vacation when you cannot find anything better to do, that we will be glad to see you in Colorado, we will be glad to have you follow the example of our worthy and honored President and come out and hunt for bears or any other kind of game, and you will find that it is less dangerous than going to Wall Street.

Mr. Cooke, of Hawaii: Mr. President, I want to speak for the Western West, one of the United States' insular possessions, although we did not come into the Union through blood, but by annexation.

We have a country that is only a little larger than the State of Connecticut, about 6000 square miles. We are 2000 miles from the Western coast. We have four banks there that are all members of the American Bankers' Association—that many in Honolulu—and also three banks on other islands. I cannot boast of minerals for Hawaii, I cannot boast of great capital there, but I can boast about one thing, and that is our sugar. Our production of sugar amounts to almost 400,000 tons; it has doubled since annexation took place. Before annexation was a reality our people were loyal. I was not born in Boston or Massachusetts or Connecticut, but my mother came from Massachusetts and my father came from Connecticut. I was born in the islands. My father and mother went out there as missionaries.

The hospitality which Washington has given to us is more probably than I can offer in the Hawaiian Islands, although we would like to have you come out there.

I have been glad that so much has been said about American shipping. I would like to invite the American Bankers' Association to meet in Hawaii, but we will have to postpone that meeting there until you build more ships, because the laws of the United States will not allow you to travel on half a dozen foreign ships, and you could not leave the islands without taking passage on an American ship. We have had some dozen ships carry our sugar and corn, because the Panama Canal is not yet completed. We were obliged to make a contract for American ships to carry our sugar to the ports in Mexico and then cross by railroads, and then on to New York in vessels, the agreement being to deliver it in thirty-five days from the islands. We have been obliged in the past to ship overland in that way, and it is expensive to send our sugar over the land at the rate of \$11.50 a ton. I hope very much that the American Bankers' Association will at some time in the future, however, meet in Honolulu. We can offer you a climate, if we cannot offer you anything else. We can also offer you beautiful scenery.

We may not be able to offer you such hotels and modern improvements as you have here. But we hope to see you there some time. (Applause.)

Mr. Bailey: Mr. President, I wish to extend my sympathy to my friend here who was not born in Massachusetts or New York or Connecticut, and therefore needs to be born again. I come from that region which Lincoln used to call the State of Allegheny. We make the iron mines of our friends from Michigan, that is we make the machinery to develop them, and we develop the gold mines of Colorado. We make electrical equipments used all over the United States, and we build bridges across the rivers of the world; we build the electric roads that run in London. So if you want to find the hub, that is the real center of all these industries that have been mentioned here, come to Pittsburgh. If you come after night you will likely feel very much like the Irishman did who had just come over from the old country. Two Irishmen came to this country, and in the morning one got up a little ahead of the other. There was a fire and the fire engines were going past, and the Irishman says to his friend: "Mike, Mike, get up, they are moving hell, and two loads have already gone by." So that is the way Pittsburgh looks after night. If you want to get to the middle of things, as it were, come down to Allegheny. (Applause.)

The President: The Convention will stand adjourned until to-morrow morning at 10 o'clock.

Accordingly, at 1.30 o'clock p. m. the Convention adjourned until to-morrow, Friday, October 13, 1905, at 10 o'clock a. m.

THIRD DAY'S PROCEEDINGS.

FRIDAY, October 13, 1905.

COLUMBIA THEATRE.

The Convention was called to order at 10 o'clock a. m. by the President, Mr. E. F. Swinney.

PRAYER BY THE REV. DR. D. J. STAFFORD.

Almighty and Everlasting God, we lift our hearts in gratitude to Thee. We thank Thee for that great national prosperity and for all the graces and favors which Thou hast showered down upon us. Protect us in the hour of our triumph as Thou didst in the hour of our danger. Save us from the dangers of riches. Give us the grace to use our great resources and our great wealth for works of humanity, charity and philanthropy, that in all things we may glorify Thee, through Jesus Christ, our Lord. Amen.

INSURING BANK DEPOSITS.

The President: We will now be glad to hear from any delegates present on practical banking questions.

Mr. C. F. Allis:

Mr. President and Gentlemen of the Convention: I appreciate most thoroughly the honor of addressing the National Convention of the American Bankers' Association, an Association that has done so much, directly and indirectly, to establish the present high credit of our National Government.

The subject upon which I wish to say a word is the Insurance or Guaranty of National Bank Deposits.

The suggestion of Insurance when applied to bank deposits has a taint, a suggestion, a presumption, that is not pleasant to any of us. "Our Banks" are solvent, "our Deposits" are as safe as those in the Sub-Treasury, but, on the other hand, we must all recognize the widespread, almost universal, distrust that, whether expressed or not, lies deep down in the hearts of the average depositor. A stranger coming to your town with \$1,000 in his pocket will carry it several days, if not weeks, all the time inquiring which is the safest bank, the strongest and best managed. This distrust should not exist. National Banks, as their name implies, should be as strong as the nation, their solvency should not be questioned.

Our Government has protected the bill holder absolutely, why should she not protect the depositor?

The present generation know nothing of an unsecured currency. It is to them ancient history—but we older bankers recall the time when every five hundred dollars of miscellaneous currency had one or more counterfeit or raised notes in it, or others below par or worthless because the bank had failed.

The National Currency act changed this over forty years ago and not a dollar has been lost since.

Now, I would have the Government go a step farther and make the deposits in all National Banks absolutely secure from loss, and it can be done without any new machinery and at a very small cost. This is no dream, no sentimental theory that would be fine if it were feasible. It is as simple as the insurance on your house or your life. As officers and directors we are all under a great responsibility and I think that we should "reason together" and ask ourselves what legislation can be enacted that will confer the greatest good upon the greatest number.

This is not a new subject to me. In 1897, eight years ago, I addressed our Group Convention upon this question, and believe that this Convention can do no greater service to the country at large than to secure the insurance of National Bank deposits.

From a selfish point of view it would pay. The National Banks would attract deposits that would much more than repay the small tax upon them. The National system would stand out as the only system of banking in the world (as far as I know) where the bill holder and the depositor were protected from loss.

Many bankers object to insurance of deposits, they don't believe in the principle, they say that the strong banks would be called upon to protect the weaker ones. My answer is that some of our strongest banks have been the victims of senseless runs which have taxed their resources for days, even when assisted by directors and friendly competitors. There would be no "runs" if deposits were guaranteed by a fund in the hands of the United States Treasurer.

Others say it would encourage reckless banking. This could not be, for the receiver must collect the assets, and assess the stockholders one hundred per cent. if necessary. The banker loses his bank and his reputation besides, but the deficit comes out of this guarantee fund.

Without further preliminaries let us get down to business. How much money will be required, and what will it cost the banks?

In the last report of the Comptroller we learn that the aggregate of claims proven during the last forty years has been in round numbers \$105,000,000. Upon these claims the receivers themselves have paid 78.11 per cent. The loss therefore to depositors was an average of 21.89 per cent., or about \$575,000 annually. This we all think has been a great loss, an awful loss, and so it is, but let us analyze these forty years:

Forty years ago we had just emerged from a civil war that for four years had taxed the resources of the North, until our National debt exceeded 2000 millions. Business in every line was demoralized by fictitious profits, inflated currency and fabulous prices.

The National Banking system was established that our Government might find a market for her bonds. To-day we pay 103½ for a 2 per cent. bond and get par in currency. Then we paid par or less for a 6 per cent. bond and received 90 per cent. in currency. But the 6 per cent. interest was payable in gold, and the gold we sold for a premium of from 2 or 3 per cent. to nearly 3.00 for one, or 12 to 15 per cent. on the cost of the bond.

I speak of this only to show how attractive the system was, and many an inexperienced group of men organized a National Bank. Under such conditions the losses would of necessity be large and the risks unwarranted.

Then during these forty years we have had four years of heavy losses on account of special depression—1867, 1873, 1892 and 1893. If we deduct the losses of these four years and make an average for thirty-six years we have an average loss of \$440,000 instead of \$575,000.

Now, let us take the last five years. During the years 1900, 1901, 1902, 1903 and 1904 the receivers have in some cases paid the depositors in full and the stockholders a small percentage on their stock, but they have paid the other depositors 97.69 per cent. In other words, the depositors have lost an average of 2.31 per cent. of their money.

Upon this basis (the losses of the last five years) the average loss of forty years would have been only about \$52,000 per annum.

Let us look at the last five years from another point of view. In 1900, while there were only three banks placed in the hands of a receiver the claims proven were over \$4,800,000, but the depositors were all paid by the receiver 100 per cent. and a small dividend to stockholders.

In 1901 four banks failed, but the loss was only 11.41 or \$63,404. In 1902 three banks failed, but the loss was only 13-100 of 1 per cent., \$518.98. In 1903 and 1904, one each year, the receiver paid depositors in full 100 cents. A total loss to depositors in five years of only \$63,922.98.

I have given you an idea in a general way as to the amount of money required. Now, what will it cost?

Mr. James C. Hallock of Brooklyn in a recent article suggests that the tax now paid upon circulating notes shall be used by the United States Treasurer (after paying the expenses of the Comptroller's department) to create a fund which shall be held by the Treasurer as a guaranty of deposits.

This had never occurred to me because I thought it impracticable to ask that the Government do more than act as custodian of the fund, subject to the drafts of the Comptroller after the receiver of a failed bank had exhausted the assets and the stockholders' liability.

Let us see for a moment what \$100 contributed by each bank annually during the last five years would have done in the way of protecting depositors.

In 1900 there were 3,606 banks in active operation. One hundred dollars contributed by each would have amounted to \$360,600, but there was no loss to depositors, the receivers paid them in full. In 1901 there were 3,981. One hundred dollars each would have brought in \$398,100. The losses this year were \$63,404. In 1902 there were 4,337 banks, and \$100 from each would have brought \$433,700, but the losses were only 13-100 of 1 per cent., \$518.98. In 1903 there were 4,756 banks; \$100 from each would have brought \$475,600; but there were no losses. In 1904 there were 5,184 banks; \$100 from each would have brought \$518,400, and there were no losses.

At \$100 from each bank an aggregate of \$2,186,400 would have been contributed, against which we have a loss of \$63,922.98 in the five years, a net gain of \$2,122,477.

An annual assessment of \$250 upon each bank during the last 40 years would have more than paid the average annual loss to depositors.

I believe I have proven to your satisfaction that it is not a difficult matter, this insurance of National Bank deposits, nor would it be an expensive luxury.

I have given this subject quite a little study, and my suggestion is that the National Banks ask of Congress the enactment of a law instructing the Comptroller to assess and collect from every National Bank in January, 1906, the sum of \$100, and every six months thereafter the sum of \$50, the money so collected to be placed in the hands of the United States Treasurer and subject to the drafts of the Comptroller of the Currency.

In case of failure a receiver will be appointed and will realize for the depositors all that is possible out of the assets and from the stockholders, the same as now, but the deficit, if there should be any, would be paid from this fund by the Comptroller.

There would be some delay in payment, but a receiver's certificate would not be much below par, and could be sold.

If these assessments should not be sufficient to pay the losses I would have further authority given the Comptroller to assess and collect a tax of 1-100 of 1 per cent. on the deposits (the average of the preceding six months), not more than two assessments to be made during any calendar year. The aggregate of all deposits in National Banks—individual, due to banks, United States Government, etc.—exceeds \$5,000,000,000, and this small tax, 1-100 of 1 per cent., would yield over \$500,000 each assessment. A bank having a deposit of \$1,000,000 would pay \$100.

The assessment of \$150 upon each bank in 1906 would bring \$863,550, and \$100 in 1907 and thereafter would bring not less than \$575,000.

It would seem therefore that the first assessment suggested, or \$100 per annum for each bank, after 1906 would be more than enough. At least the experience of the past five years would lead us to think that in a few years there would be from three to five millions in this fund and I would have the Comptroller invest practically all of it in Government bonds, with power to sell as needed.

It will be noticed at once that all banks, large and small, pay the same amount—\$100 each, after 1906. Some may object to this, but the insurance is richly worth \$100 to the smallest bank, and the smaller the bank the more valuable this protection is to them.

Statistics show that the smaller banks when placed in the hands of a receiver pay a less percentage of their deposits than the larger banks.

There is one restriction that to my mind must become a part of the proposed amendment and that is, there should be a limit to the rate of interest which National Banks should be allowed to pay on deposits.

Some will consider this an unnecessary interference, a reflection upon our ability to manage our respective institutions, but from my point of view it is a very important provision.

Inexperienced bankers would be inclined to bid higher for deposits than their more conservative neighbors would think profitable or even safe, and we all know what follows the continued payment of too high a rate of interest on deposits.

I would advise that the limit, the maximum rate, should be 3 per cent.

In conclusion I would emphasize the following advantages of the amendment.

1. It would pay a profit above the tax under present conditions, and when fully understood by the people millions of hoarded money would be released and be available for business. Don't forget this.

2. The National Banking system would lead the world in protecting absolutely from loss both the bill holder and the depositor.

3. If the past five years are any guide, the cost distributed among 5,700 banks would not be worth mentioning.

I thank you all for your courteous attention.

Mr. Supplee, of Baltimore, Maryland: Mr. President, I ask to be permitted to add a word to what the gentleman has so well said, showing to the Convention the necessity of action in this matter.

There is now great difficulty in the National Banks and Trust Companies obtaining what is called depository bonds. This was shown after the defalcation in the First National Bank of Milwaukee. Immediately, with due prudence and foresight, the Northwestern Mutual Life Insurance Company desired depository bonds on about \$8,000,000 of its deposits. It was necessary to place a bond of \$1,200,000 in the First National Bank of Milwaukee. That bond was placed with the company I have the honor to represent after some re-insurance, but it was not an easy task, and it has not been an easy task in several other cases that I might mention. There are insurance orders that have \$3,000,000 of depository bonds, and I might go over the list until your patience would be exhausted. It is found in the surety business that with \$25,000,000 sureties the company is now unequal to the task of taking care of the public bonds, and the gentleman's point is exceedingly well taken. He fails to state to you that in the excellent report of Comptroller Ridgely, which he has quoted, the failures of State banks, Trust Companies, &c., are not figured; but I figured them the other day and I found they only pay 50 per cent in liquidation.

If you ask what is the remedy, I will say that the remedy has been suggested by the gentleman, except I differ with him as to an arbitrary and fixed sum for a bank. It was Macbeth who said "I will make assurance doubly

sure and take a bond of fate." Our advice is, do not take a bond of fate, but take a surety company bond if you can get it. (Applause.)

Mr. C. N. Evans, Southern National Bank, Wilmington, North Carolina: Mr. President, I say let us keep the American Bankers' Association out of the insurance business. The gentleman from Erie made some excellent suggestions. At the same time it seems to me this is an individual question. If the bank wishes to absolutely assure to the community that its deposits are safe and sound and available, let that bank pay for its own insurance. Let them go to this company and say, "Gentlemen, we have a line of deposits at five million dollars. We desire a policy protecting our deposits to the sum of \$5,000,000, and we will pay the premium on that." And so let us keep the Bankers' Association out of that business.

It seems to me that the point we want to reach is this: We do not want to go into this business of insuring, and we do not want to trouble the Government in regard to guaranteeing our deposits further than to supervise us, as they are doing now very carefully; but let us go to the men who cause these failures. We have in our section of the country—in the South—some excellent industrial corporations. But despite our vigilance, occasionally we hear of a big crash. We see an assignment has been made way up in the millions of dollars by a concern that stands well, or has stood well, officered by men of high character and reputation—we have their statements, and they look good, but we wake up in the morning and find that there was nothing in that statement but a lot of falsehood. That bank has gone. A few big slumps will materially affect small banks, of course. Let us do this: Let us create a bureau of audit and have this bureau of audit employ the finest expert accountants that can be gotten. Have it understood that any member of this Association can request from this bureau of audit a financial report upon any corporation, firm or individual in which this bank is interested. If such a request is filed and placed with the bureau it then becomes the duty of the bureau to notify this firm, corporation or individual that some one of its members (of course, that would be private) desires a special report or special examination of its affairs. Now, it is up to you, gentlemen, to give this report or not. If you give it, well and good. If you do not give it, the members of the American Bankers' Association will be advised. Now, you say that is a big expense. It costs hundreds of dollars, perhaps a thousand dollars in some cases, to have a corporation examined—maybe more—and who is going to pay it? Let the banks themselves pay it. Let the bank which applies for this report pay its part of it. If they call for another report on this same concern—I mean if some other bank or creditor desires a report—let them pay their proportion of it. It may be that a large corporation borrowing \$500,000 or \$600,000—large to us in our section of the country—may be the subject for an examination, maybe there are ten or a dozen banks interested in that large concern. Then those banks can pay for their proportion of that report. That, it seems to me, is a more practical plan for us to pursue. Go to these industrial corporations and say, "Gentlemen, we do not question you at all, not in the slightest; we think you are honest, but we want the reports you make to us certified as the National Bank reports are certified." (Applause.)

Mr. Campbell, South Bend, Indiana: Mr. President, I presume that there are as many schemes for bank protection as there are States in the Union. I do not care to offer any scheme, but I wish to offer two reasons why I think the gentleman has not suggested a practical scheme.

In the first place, I think that Congress has no power to levy a tax for individual protection. It has the power to levy a tax for Government protection and for Government purposes, but I do not think it could levy a tax on bank capital or bank deposits and enforce the collection of it without an amendment to the Banking Act to which the bank would subscribe. I think to undertake to make an amendment which would apply to banks already in existence would result in not being able to enforce it.

The next objection would be to an unlimited security.

I don't think it practical to say that we will undertake to protect deposits in full. That will enable a \$25,000 or \$50,000 bank to go to a \$100,000 or \$200,000 depositor and say: "Our bank is as safe for you to deposit in as the \$500,000 or the \$1,000,000 bank."

My impression is, if there could be an agreement on a plan by which an assessment would be made, and insure to each depositor, say \$2,000 or \$3,000, in case the bank's reserve had been exhausted, that that would go a long way toward eliminating the danger of panics and runs on banks. If we could say to depositors we will guarantee your deposits up to \$3,000, that would take 95 per cent of the depositors in the rural sections of the country—95 per cent numerically, at least.

I think those are two objections which ought to be considered in connection with what has been suggested here. (Applause.)

Mr. Robinson, President First National Bank, Winfield, Kansas: Mr. President, it seems to me there is no practical way of insuring deposits of our banks, and it occurs to me that we are fooling away our time in discussing a question that so little appeals to us. It occurs to me now that the deposits of the national banks of the United States are today practically safe. There has been but a small loss since the organization of the National Banks, and it occurs to me that if we follow the recommendation of our present Comptroller of the Currency and the recommendations that have heretofore been made to increase the number of bank examiners and let every National Bank—I speak of National Banks because I am more familiar with them—as far as possible adhere to the National banking law, and avoid excess loans, that we will do as much as we can expect to do along this line. I understand that excess loans is the cause of the bulk of our failures. Let us avoid as far as possible excess loans. Let us do our business from this time on as prudently, if not more so, than we have in the past. Let every bank stand upon its own foundation and upon its own reputation. It seems to me that that is all the security that our depositors need and all that they demand. (Applause.)

Mr. Hill, of Bath, Maine: Mr. President, our last speaker has said that you cannot insure your deposits. I wish to say that our bank insures its deposits by putting away a reserve of \$4,000 a year. We can to-day with cash on hand and bonds at 50 cents on the dollar pay every depositor and have our loans intact.

The President: Mr. H. D. Goulder, president of the Merchant Marine League, will address us now, his subject being "Our Commerce."

Our Commerce, by H. D. Goulder, President Merchant Marine League.

[Mr. Goulder's address in full will be found on pages 90 to 93 of this publication.]

The President: The next is unfinished business, and the Chair recognizes Mr. J. D. Powers, of Louisville, Kentucky.

THANKS TO WASHINGTON BANKERS FOR THEIR HOSPITALITY.

Mr. Powers: Mr. President and gentlemen of the Convention, I desire to offer a resolution simple in character but important in giving expression to our personal feelings, as I hope.

Free from all commercialism and without taint of selfishness, the members of the Bankers' Association of the District of Columbia have, without stint, provided for the comfort and pleasure of the American Bankers' Association, its officers and members and visitors, the most delicate, agreeable and delightful reception and entertainment, filling full the measure of expectation and realization during our stay in Washington, our country's great capital city, for which the Association tenders profound and grateful thanks.

I move the adoption of the suggestion as embraced therein.

The motion was seconded, and the question being taken, the resolution was unanimously adopted.

The President: The Chair recognizes Mr. Logan C. Murray.

MEMBERS NOT TO COMPOUND CRIME.

Mr. Logan C. Murray: Mr. President and Gentlemen—There have been constantly in the last twenty years publications made throughout the country in different newspapers who are not familiar, possibly, with this Association, to the effect that the American Bankers' Association pays noted forgers, in some cases, salaries not to commit forgeries. I have here a newspaper extract to the effect that Karl Becker, "the forger most feared by the bankers of America," is said to receive a salary from a number of leading banks on condition that he will commit no more forgeries. For many years we have had trouble with this sort of thing. I desire now to introduce a resolution, that the American bankers of the country will not under any circumstances compound such a thing, and that the newspapers hereafter will not print such stuff as that. It is a libel upon this Association to suggest that any member would make any such compact with a forger. I therefore hope that this Association will vote unanimously now, and strongly say that it will be hereafter understood by every newspaper in the country that this Association under no circumstances, and no honorable member of it, will for one moment have any such compact with any such men. I move that this Association distinctly say this now, so that it may be heard by every newspaper.

The motion was seconded, and the question being taken, was unanimously agreed to.

The President: The incoming Council will meet immediately after adjournment on the tenth floor of the New Willard Hotel. The next in order is the report of the Auditing Committee, from Mr. Mitchell.

Report of Auditing Committee.

The Auditing Committee submitted their report as follows:

Mr. President: The Committee appointed to audit the accounts of the Association beg leave to report that they have verified the expense vouchers with the statements submitted.

The rapid growth of the American Bankers' Association in the past few years has made it practically impossible within the time allotted for the Auditing Committee to make as intelligent and thorough an audit of the affairs of the Association as the volume of business warrants, and we therefore suggest that future audits of the accounts of the Association should be made by a firm of chartered accountants, or an audit company, and their reports submitted to the Executive Council.

Respectfully submitted,

J. R. MITCHELL, Chairman.

LUTHER DRAKE,

C. B. MILLS.

Upon motion the report was received and filed.

NOMINATIONS AND ELECTIONS.

The Nominating Committee submitted their report as follows:

Washington, D. C., October 13, 1905.

Gentlemen of the Convention: The American Bankers' Association tenders you the name of Mr. John L. Hamilton, vice-president Hamilton & Cunningham, Hoopston, Ill., for President.

For First Vice-President, Mr. G. S. Whitson, vice-president National City Bank, New York City.

For members of the Executive Council for a term of three years:

George M. Reynolds, vice-president Continental National Bank, Chicago, Ill.

Milton B. Alles, vice-president Riggs National Bank, Washington, D. C.

J. L. Edwards, president Merchants' National Bank, Burlington, Iowa.

H. B. Wilcox, cashier First National Bank, Baltimore, Md.

J. J. Sullivan, president Central National Bank, Cleveland, Ohio.

For Vice-Presidents of the different States:

Alabama—E. J. Buck, president City Bank and Trust Company, Mobile.

Alaska—S. A. Bonfield, president First National Bank, Fairbanks.

Arizona—P. P. Greer, cashier First National Bank, Clifton.

Arkansas—S. S. Faulkner, cashier First National Bank, Helena.

California—P. E. Bowles, president American National Bank, San Francisco.

Colorado—Irving Howbert, vice-president First National Bank, Colorado Springs.

Connecticut—Hon. A. Chamberlain, president Home National Bank, Meriden.

Delaware—John Richardson, Jr., president National Bank of Delaware, Wilmington.

District of Columbia—John Joy Edson, president Washington Loan and Trust Company, Washington.

Florida—E. W. Lane, Atlantic National Bank, Jacksonville.

Georgia—W. F. McCauley, vice-president Savannah Bank and Trust Company, Savannah.

Idaho—M. J. Flohr, cashier First National Bank, Wallace.

Illinois—L. A. Goddard, president Fort Dearborn National Bank, Chicago.

Indiana—W. E. Springer, cashier Farmers' and Merchants' Bank, Ellettsburgh.
 Indian Territory—G. W. Barnes, president Commercial National Bank, Muskogee.
 Iowa—D. L. Heinzelmer, president Mills County National Bank, Glenwood.
 Kansas—E. B. Stevens, vice-president and cashier First National Bank, Parsons.
 Kentucky—Owen Tyler, president Third National Bank, Louisville.
 Louisiana—H. H. Youree, vice-president Commercial National Bank, Shreveport.
 Maine—S. C. Parcher, York National Bank, Saco.
 Maryland—Nathan H. Baile, cashier First National Bank, New Windsor.
 Massachusetts—H. M. Batchelder, president Merchants' National Bank, Salem.
 Michigan—Daniel McCoy, president State Bank of Michigan, Grand Rapids.
 Minnesota—O. H. Havill, president Merchants' National Bank, St. Cloud.
 Mississippi—B. W. Griffith, president First National Bank, Vicksburg.
 Missouri—F. W. Hixson, assistant cashier, Hannibal National Bank, Hannibal.
 Montana—A. B. Clements, cashier Etna Banking and Trust Company, Butte.
 Nebraska—George B. Bell, president Grand Island Banking Company, Grand Island.
 Nevada—G. S. Nixon, president First National Bank, Winnemucca.
 New Hampshire—Arthur M. Heard, president Amoskeag National Bank, Manchester.
 New Jersey—William Scheerer, president Union National Bank, Newark.
 New Mexico—Joshua S. Reynolds, president First National Bank, Albuquerque.
 New York—Ledyard Cogswell, vice-president New York State National Bank, Albany.
 North Carolina—A. G. Brensler, cashier Commercial National Bank, Charlotte.
 North Dakota—L. A. Batchelder, vice-president First National Bank, Fingal.
 Ohio—E. R. Sharp, president State Savings Bank and Trust Company, Columbus.
 Oklahoma—M. L. Turner, president Western National Bank, Oklahoma City.
 Oregon—Benjamin I. Cohen, president Portland Trust Company, Portland.
 Pennsylvania—F. G. Hobson, treasurer Norristown Trust Company, Norristown.
 Rhode Island—Edward P. Metcalf, president Old National Bank, Providence.
 South Carolina—W. J. Montgomery, president Farmers' and Merchants' Bank, Marion.
 South Dakota—F. M. Broder, cashier Black Hills Trust and Savings Bank, Deadwood.
 Tennessee—Joseph H. Smith, cashier People's Savings Bank, Nashville.
 Texas—J. W. Spencer, president Farmers' and Mechanics' National Bank, Fort Worth.
 Utah—W. S. McCormick, president McCormick & Co., Salt Lake.
 Vermont—Edward Wells, president Burlington Trust Company, Burlington.
 Virginia—W. M. Hablston, president National Bank of Virginia, Richmond.
 Washington—Levi Ankeny, president First National Bank, Walla Walla.
 West Virginia—Walter Miller, cashier Bank of Fairmont, Fairmont.
 Wisconsin—George W. Strohmeyer, president Milwaukee National Bank, Milwaukee.
 Wyoming—J. Clay, Jr., president Stockgrowers' National Bank, Cheyenne.
 Cuba—E. G. Vaughan, president Banco Nacional de Cuba, Havana.
 Hawaii—Charles M. Cooke, president Bank of Hawaii, Limited, Honolulu.
 E. J. Buck, Chairman.

During the reading of the foregoing report, the following occurred:

Mr. Evans, of North Carolina: I move that the Secretary be directed to cast the vote of the Association for Mr. John J. Hamilton as President.

The motion was seconded by several delegates.

The President: It is moved that the Secretary be directed to cast the vote of the Association for Mr. John L. Hamilton for President. Is there objection?

There was no objection, and the Secretary accordingly was directed to cast the ballot of the Convention for Mr. Hamilton for President.

The Secretary: I take pleasure in casting the ballot of the Convention for Mr. Hamilton for President.

Mr. Mulvane, of Kansas: Mr. President, I move that the Secretary be directed to cast the vote of the Association for Mr. Whitson for First Vice-President.

The motion was numerously seconded.

The President: Is there objection? (After a pause.) The Chair hears none, and the Secretary is directed to cast the vote of the Association for Mr. Whitson for First Vice-President.

The Secretary: The Secretary takes pleasure in casting the vote of the Association for First Vice-President.

Mr. Sprague (at the conclusion of the reading of the nominations for members of the Executive Council for a term of three years): Mr. President, I believe that while not very usual, nominations other than those of the Nominating Committee are in order under our rules. Am I right?

The President: Yes, sir.

CANDIDATE TO REPRESENT SAVINGS BANK SECTION.

Mr. Sprague: Those nominations before you are doubtless of worthy and estimable candidates, but I feel it my duty, not merely as a delegate, but as a representative of 734 of the members of this Association, to place in nomination for election as a member of the Executive Council a distinguished representative of our Section, Mr. Edward E. Duff, of Pittsburg, Vice-President of the People's Savings Bank, a gentleman eminently qualified by ability, by character and by attainments to fill the position, and a gentleman whose qualifications have been attested by our electing him day before yesterday as Chairman of the Savings Bank Section. And I will state the reasons, Mr. Chairman, which have compelled me, reluctantly, to violate the usual ease and harmony with which our elections have been conducted by introducing a nomination out of the regular order of things.

The Savings Bank Section, as you know, is an important Section. I venture to say that its work has been as aggressive as that of any other portion of the Bankers' Association. During the last year it has added 118 members to this Association through its direct work. By that you will see that except for the work of the Savings Bank Section in the way of securing new members we would almost have had a shrinkage in our membership. We feel, therefore, that the committee, unintentionally probably, has committed a grievous oversight in neglecting to give us a direct representative on this Council. The Savings Banks, we feel, are pre-eminently entitled to a representative on the Council. We pay our dues exactly like any other members. But, gentlemen, so far as we are Savings Bank men we are not bankers—we are, on the other hand, among your largest customers; we are not your rivals. But here we find ourselves subjected to, at least, neglect; some of our members go so far as to call it slight. However that may be, the fact remains that we have not been given one representative, although we were led to believe that we would be allowed one. For some reason or other we have not been favored. We have not in the past, and we do not in the future, intend to obtain representation on this Council by means of lobbying, by soliciting votes or by canvassing. (Applause.) We shall not use any such means as that. We shall with manly dignity present our claim, and that is the reason I am presenting the name of this gentleman to-day—because I feel that the membership of this Association at large will support us, and that the Executive Council—the two classes now remaining in power will also support us, that all right minded men, whether they are bankers, Savings Bank men or Trust Company men, will support us, that they will see that our cause is just, and, to say the least, we have not been treated with that respect which an organized section of this Association should be treated.

These are the reasons, gentlemen, why I feel it incumbent upon me as a duty, a disagreeable duty, to make a counter nomination, instead of acquiescing in the usual perfunctory ballot. Gentlemen, it is unpleasant, for more reasons than one, but it is necessary, for us to select one of the names on the ticket presented to be displaced by our representative; the task is an unwelcome one. Far be it from us to desire that any one there should be displaced, but that is the only effective way—to withdraw one of those names. We can do it, we have the votes in this house so that if I name the person who is to be excluded in favor of our man, we can carry the election. I do not wish to do anything of the sort. I merely wish to bring before you our rights and our wrongs, lest it be said that we submitted tamely to neglect and oversight and sat still and allowed people to walk upon us without making a move.

Gentlemen, having accomplished the purpose of this nomination, I now withdraw it. (Applause.)

The President: I believe Mr. Sprague's speech is for the good of the Association. While it may be out of place for me to say so, it seems to me that we are getting to have too much politics in the affairs of the Convention. (Applause.)

What shall be done with the nominations for members of the Executive Council?

Mr. Mulvane, of Kansas: I move that the Secretary be directed to cast the ballot of the Convention in favor of the gentlemen whose names we have heard read.

Mr. Sprague: I second the motion.

There was no objection, and the Secretary was accordingly directed to cast the ballot of the Association for the gentlemen whose names were read, as members of the Executive Council.

The Secretary: I take pleasure in casting the ballot of the Association for Mr. George M. Reynolds, Mr. Milton E. Ailes, Mr. J. L. Edwards, Mr. H. B. Wilcox and Mr. J. J. Sullivan for members of the Executive Council for three years.

(The reading of the report of the Nominating Committee was then concluded, as hereinbefore set forth in full).

On motion of Mr. Mulvane the Secretary was directed to cast the ballot of the Association for the gentlemen named by the Nominating Committee as Vice-Presidents.

The Secretary cast the ballot for the gentlemen named in accordance with his instructions.

The Secretary: Here is an additional report from the Nominating Committee:

Washington, D. C., October 12, 1905.

To the Chairman and Members, American Bankers' Association: The Nominating Committee, composed of delegates from the several State Associations, desires to present the names of the following gentlemen for membership in the Executive Council of the American Bankers' Association:

Lewis E. Pierson, President, New York National Exchange Bank, New York, N. Y.; A. G. Lupton, Cashier, Blackford County Bank, Hartford City, Ind.; Joseph Chapman, Jr., Cashier, Northwestern National Bank, Minneapolis, Minn.; J. G. Brown, President, Citizens' National Bank, Raleigh, N. C.; H. P. Hilliard, Vice-President, Mechanics' National Bank, St. Louis, Mo.

GEORGE F. ORDE, Secretary.

Mr. Evans: I move that the Secretary be instructed to cast the ballot of the Association for the gentlemen named.

There was no objection, and the Secretary accordingly cast the vote of the Convention for the gentlemen named as members of the Executive Council of the American Bankers' Association.

The President: The Chair recognizes in the rear of this room a bashful young man, and he would like to have him come forward. I call for Mr. John L. Hamilton, of Hoopes-ton, Illinois. (Applause.)

Mr. Hamilton came forward.

The President: Mr. Hamilton, the American Bankers' Association has been very fortunate in selecting you as their President. It has been to a certain extent an idea among the members of this Association that no one could be elected to this place unless he lived in a large city and represented a large bank. You do not come from a large city and do not represent a large bank, comparatively speaking; but you do represent a large majority of the members of this Association, and now they cannot say that this office must go to a large city. I congratulate you and wish you great success in your administration of the office of President. (Applause.)

Mr. Hamilton: (Taking the chair.) Ladies and gentlemen of the Convention, I think I voice the sentiment of this Convention when I say that it is unfortunate that our worthy President cannot be continued another year under the constitution. I realize that this is the greatest honor that can be given to any man at your hands. I realize that the American Bankers' Association is the strongest financial institution in the world. It has a grand mission to perform, and I think it is the duty of this Association to labor for the promotion of the welfare of this great country regardless of any individual interests. This Association has several important standing committees that are doing excellent work. They have one or two committees that are dead. I am opposed to any man accepting a position on any committee in connection with this Association who is not willing to work for the interest of this Association. (Applause.)

We have long since passed the stage in our work where we need ornaments. I think that there are many important features that can be pushed forward by your aid, and when the individual member receives what appears to be a circular letter, remember that it is really an individual communication from the committee sending it, hoping to

get an expression from you, so that they may be able to formulate a report in accordance with the wish of the members of this Association.

It shall be my endeavor in fulfilling the duties of this position to put forth my best efforts in your behalf. Gentlemen, I thank you for this great honor. (Applause.)

The President (Mr. Hamilton): Is Mr. Whitson present? If so, I will ask him to please come forward.

Mr. Whitson came forward.

The President: Mr. Whitson, you have been selected for the distinguished office of Vice-President of the American Bankers' Association. It is an honorable position that is extended to you on account of your work and merit, and in appreciation of the work you have done for the Association. I now present you with your badge. Gentlemen, your Vice-President, Mr. Whitson. (Applause.)

Mr. Whitson: Mr. President and members of the American Bankers' Association: We are told that brevity is the soul of wit. I am certain that you are weary of speech-making. Consequently I believe that I will carry out your views in making my remarks brief. I appreciate the honor which you have conferred upon me, and ask your assistance and co-operation in carrying out the duties pertaining to the office to which you have elected me. (Applause.)

The Secretary: There is a telegram which has been received from the Sturdivant Bank, which I will read:

The Secretary read as follows:

Cape Girardeau, Mo., October 11, 1905.

E. F. Swinney, President American Bankers' Association, Washington, D. C.

Colonel Robert Sturdivant, the pioneer banker of Southern Missouri, died at Tallapoosa, Ga., yesterday morning, aged 88 years.

The President: I understand that Mr. Hill, of St. Louis, has something to present to the Convention.

PUNCH BOWL TO RETIRING PRESIDENT.

Mr. Hill: (Coming forward and placing a large silver bowl on the President's table.) Mr. President and gentlemen of the Convention: I have been selected to present to Mr. Swinney, the retiring President, a little pig in the bag. (Laughter.) Why I have been selected for this pleasant duty I do not know, unless it is that Mr. Swinney and your humble servant were both born in that State which feeds on peanuts and past recollections—recollections that can only be appreciated by men who have left the grand old Commonwealth of Virginia. We have both gone to that State which has the reputation that before any one can get into their hearts there, and into their pockets, he has to "show them." (Laughter.) Mr. Swinney went to that State, and by perseverance and pluck won his way, and he, as President of the American Bankers' Association, has shown you the greatest year in the history of the Association. (Applause.) If you come West you will find on the western border of Missouri a bank which has been built up by him and him alone, as far as we know, and that has no superior for strength and conservatism in this country. (Applause.) He will show to any one who comes there who does not know him—and to those who know him it is not necessary—that he is a man and a gentleman, and when you say a gentleman that is all you can say of any one.

I wish to say in the name of the Association, "Well done, good and faithful servant." Instead of taking the cake, take the bowl. (Applause.)

Mr. Swinney: I wish I had words capable of expressing my appreciation of this token of regard. I will take this bowl with me to my Western home and ever keep it and point to it with the greatest pride as a token of having been honored by the greatest financial association in the world. (Applause.)

In closing my official career with you I want to again thank this Convention for the many acts of kindness shown me, and will close by saying that—"In future years, should thou perchance to other scenes cast a glance, think kindly of me, as I ever shall of thee. (Applause.)

COMMITTEE ON BANK LEGISLATION CREATED.

The President: Is there any further business to be brought before the Convention?

Mr. Reynolds: In pursuance of the resolutions heretofore adopted, I move that a committee of five be appointed

by the Chair, of which the President shall be one, to act as a Committee on Bank Legislation.

The question was taken and the action was agreed to.

PRESENTATION OF PUNCH BOWL TO SECRETARY.

Mr. Russel, of Detroit: Mr. Chairman, ladies and gentlemen, a self constituted committee has placed upon me the very pleasing duty of making another well deserved presentation. This self constituted committee really consists of the Old Guard, and I might sum it down to almost one member of the Guard, in the message that was conveyed to me. Walker Hill has just told you that he was selected to make the other presentation speech.

Now, gentlemen, I want to give you a little inside information. Mr. Hill came to me last night and said: "Russel, if you will select me to make a presentation to the President I will select you to make a presentation to the Secretary." (Laughter.)

Gentlemen, this token of our regard for our most efficient Secretary is made upon the anniversary of his ten years' service. It happens to be an anniversary to me also. Ten years ago I first joined your Association at Atlanta, and I had there one of the pleasantest times of my life. At that first meeting I had the distinguished honor of being elected to the Council, and have served continuously ever since. In the 11 conventions that have been held, beginning with that one, and ending with this most delightful Convention, I have been present nine times; I was prevented from being present the one time I was absent on account of my health.

A reviewal from me of the growth of the Association in these ten years seems to be in place. We then had a membership of barely fifteen hundred, and Colonel Branch was chosen Secretary. Another curious fact in connection with that Convention, which I now recall, is the fact that at a little table in a room off the reception room at Atlanta, our old friend Bob Lowry gathered promiscuously from an attendance of several hundred six gentlemen to dine with him. Of course, he had the most beautiful ladies of the State of Georgia there also. You would expect that, naturally. As it so happens, five of those six gentlemen that sat at that table successively became President of your Association:—Mr. Pullen, of sainted memory, I might say, because he was a grand old man; Bob Lowry, whom we will always have with us; Hendrix, than whose record none is brighter; the less said about Russel the better; and Hill, the ubiquitous and always talking. Now, this looks like a put up job, but, gentlemen, politics then had not crept into the Association, I assure you. We could have planned for five years ahead, while under a better constitution we can only set up the job for three years. But I am getting off the subject. I am dwelling on my own recollections and not doing my duty here.

It is my pleasant duty to present to Mr. Branch from the Association a little token of regard and esteem and appreciation of his services during the past year. Presidents have come and gone, but Jim runs on forever. Our membership of fifteen hundred, which is what it was ten years ago, has been increased to seventy-seven hundred, over five

times the number we had ten years ago. And we must allow that this increase in membership is largely due to our Secretary. (Applause.) He has worked indefatigably, and in the last two years there has been more accomplished than ever. So that in his services, experience and education, we have a Secretary who is more than ever fit to perform these duties for another decade. Jim is a good fellow, but not entirely without—I will not say without enemies, but people who think they could fill his place better. There are always such men in the world. But we do not want to make any more experiments in that line. A little story occurs to me which has been told to me since I reached this stage, of a gentleman presiding over a very large church, a minister. There was a little growing disaffection among some of the congregation, and one of them hinted it to the sexton. "Yes, I know that is what some of you think, but then," he says, "remember the past experience of this church. Reverend So and So has been with us now for ten years, and the church work depends largely upon its revenue. Are not the pews full? Has not our membership increased satisfactorily, and are not things running smoothly?" I think that speaks for itself."

We give to our Secretary a bowl. What uses it may be put to I cannot tell. (Laughter.) We have not made it large enough for him to get into (laughter), but it is of capacious size, and I am sure that in his big, generous heart he will ask you in other meetings of this Convention to take from it, not forgetting himself. Gentlemen, I am sure that I speak for the whole Convention in conveying to Colonel Branch this token of your esteem and appreciation. (Applause.)

Mr. Branch: Mr. Russel, and members of the Association, this is one of the proudest moments of my life. I have served for ten years as your Secretary, and, through the assistance and hearty support that I have always received from every one upon whom I have called, the Association has grown to its present size. No one man on earth could have accomplished any such growth. It has been the result of active committee work. It has been the support of numerous officers who have come and gone. The Secretary has been able to call the attention of bankers all over the country to the good work being done by the Association, and they have come in by tens and hundreds and to-day we have an organization representing more wealth than any other organization on earth.

I have given you my best efforts. I fear in the opinions of a good many that my best has not been as good as it might have been. I can only say to you, gentlemen, that I have done my best, and any errors made have been from the head and not from the heart. I thank you sincerely, for your continued confidence, as shown by re-election nine times, and I trust if in the future I serve as your Secretary I can, when I step out of office, feel as I do now, that I have never intentionally neglected any duties imposed on me. (Applause.)

THANKS TO WASHINGTON NEWSPAPERS.

Upon motion the thanks of the Convention were extended to the newspapers of Washington.

The President: Mr. Whitson has requested me to announce that the Executive Council will meet immediately after the adjournment on the tenth floor of the New Willard Hotel.

[Joshua D. Powers, President of the United States Trust Company, of Louisville, was chosen Chairman of the Executive Council.]

I now declare the thirty-first annual convention of the American Bankers' Association adjourned.

**THE FOURTH NATIONAL
BANK OF THE CITY OF
NEW YORK OFFERS TO DE-
POSITORS EVERY FACILITY
WHICH THEIR BALANCES,
BUSINESS AND RESPONSIBILITY WARRANT.**

TRUST COMPANY SECTION

AMERICAN BANKERS' ASSOCIATION,

Ninth Annual Meeting, Held in Washington, D. C., October 10, 1905

INDEX TO TRUST COMPANY PROCEEDINGS.

Growth of Trust Companies - - -	Pages 127 to 129	Address of Welcome and Reply - -	Pages 133 to 134
Banking Publicity- - - - -	Pages 129 to 130	Report of Secretary - - - - -	Page 134
Benefit of Real Estate Department -	Pages 130 to 132	Report of Executive Committee - -	Pages 134 to 135
Detailed Proceedings - - - - -	Pages 133 to 141	Committee on Protective Laws - -	Pages 135 to 136

Statement of the Growth and Present Status of Trust Companies in the United States.

By EDWARD T. PERINE, General Manager, The Audit Company, New York.

Comprehensive statistics regarding Trust Companies throughout any number of States do not appear to have been assembled earlier than December, 1875, when, in the Annual Report of the Comptroller of the Currency of the United States, a tabulation was presented with reference to 35 companies. These were located in four entire States, and reports from Philadelphia companies were also included.

These Trust Companies of thirty years ago comprised:

	No. of Companies.	Total Resources.
New York.....	12	69 millions.
Massachusetts	5	9 "
Rhode Island.....	1	6 "
Connecticut	10	5 "
Philadelphia	7	31 "
A total for the.....	35	122 "

The principal items of resources were 65 millions of dollars of loans and discounts, 39 millions of securities, 3 millions of real estate, and 9 millions of cash. Among the liabilities, capital stock aggregated 21 millions, surplus funds and undivided profits 7 millions, and deposits 85 millions.

The New York State companies, having, as has been shown, 69 millions out of 122 millions of dollars of total resources, led, then as now, the other States in respect of Trust Company wealth. Philadelphia's 7 companies, however, with their 31 millions of resources, are worthy of notice, particularly when it is seen that the two groups taken together at this early date comprised over 100 millions of aggregate resources.

An interesting note accompanied this tabulation of the Comptroller, containing the unofficial fact that the "Chicago Tribune" had reported as of June 30, 1875, 5 Trust Companies in the city of Chicago having capital \$2,500,000; surplus, \$725,000, and deposits of between 5 and 6 millions.

It is not to be understood that the Comptroller's tabulations in this or in later years could have been made to cover Trust Companies everywhere, but a steady growth is apparent year by year from about 1879. In that year reports were tabulated from 32 companies, with 111 millions of resources, and during the next few years, while there was no great increase in the number of companies, their resources were largely added

to. In 1884 the tabulation showed 35 companies, with 239 millions of resources. Of these 13 New York State companies had 155 millions.

By 1889 the number of companies reporting had increased to 120, and their total resources were 441 millions. At this time, and it should be remembered that it was but sixteen years ago, the total resources were less than one-eighth of the present volume of Trust Company resources, and the number of companies only about one-tenth of the total number of our present companies.

Before considering current figures, however, it will be of interest to look at some details of the Comptroller's tabulation for 1889. In

Maine there were	6 companies, with about 2 millions of resources.
New Hampshire	4 " " " 3 " " "
Massachusetts	13 " " " 63 " " "
Rhode Island	2 " " " 12 " " "
Connecticut	8 " " " 5 " " "
New York	25 " " " 236 " " "
Illinois	6 " " " 17 " " "
Pennsylvania	17 " " " 69 " " "
Iowa	7 " " " 9 " " "
Minnesota	5 " " " 4 " " "
Missouri	6 " " " 10 " " "
Kansas	11 " " " 4 " " "
Nebraska	6 " " " 5 " " "
Dakota	4 " " " 1 " " "

The figures from the smaller States were given as being unofficial, but would appear to have been gathered with considerable care, and the noticeable facts at this point—sixteen years ago, as stated—are the continued growth of New York companies' resources to the sum of 236 millions, the substantial amount reported for Pennsylvania companies, over 69 millions, and the closely equivalent showing of Massachusetts, with its 63 millions. After these, no one State, not even Illinois, Rhode Island or Missouri, had as much as 20 millions of total resources, while the other States reporting in no one case had as much as 10 millions of resources.

In the early nineties began the real growth in numbers of Trust Companies, the Comptroller's report for 1894 showing 224 companies, with 705 millions of total resources, while according to another summary, made by the author of this present paper, upon the basis of total resources one year later, or in 1895—gathering the figures from certain State reports, and in other cases from details contained in the "American Bank Reporter"

of November, 1895—it appears that the Trust Companies of ten years ago this fall numbered 563, or about one-half the present number. For some of these no figures were available, but as to 533 companies, located in 42 different States and Territories and in the District of Columbia, the total resources were approximately 962 millions of dollars. At this time there were 16 companies in California, 12 in Connecticut, 18 in Georgia, 26 in Illinois, 29 in Iowa, 16 in Kansas, 16 in Kentucky, 20 in Maine, 35 in Massachusetts, 15 in Missouri, 15 in Nebraska, 23 in New Jersey, 38 in New York, 14 in Ohio, 83 in Pennsylvania, 19 in Tennessee, 18 in Vermont, 16 in Virginia, and 15 in the State of Washington, while in each of the other States and in the District of Columbia there were less than 10 companies.

Closely succeeding years saw a phenomenal growth among Trust Companies, both in number and in wealth. The fact of this growth during the closing years of the nineteenth century is well recognized, but becomes more apparent when it is stated that during the five years from 1899 to 1903 inclusive the popularity of Trust Companies was marked by the organization of practically five hundred new companies, or as many as had been formed during the entire preceding three-quarters of a century.

As of June 30, 1903, recognizing the need of more adequate statistics than had been previously available, the company with which the speaker then had the honor of being identified, namely, the United States Mortgage and Trust Company, of New York City, prepared a list of Trust Companies everywhere in the United States and sent out requests for their statements of condition, which, when received were arranged alphabetically by States to the number of 912 companies. These statements, comprising a more comprehensive collection of Trust Company facts than had ever been previously gathered in a single volume, were issued in 1903, and were collected again last year and this. These collections have been valuable as books of constant reference for those interested in Trust Company matters, and have also afforded a basis for certain tabulations of Trust Company resources and liabilities throughout the entire country, the nature of which, as relating to current conditions, and in particular to the growth of the past three years, are now briefly presented.

The 912 companies whose statements were published under date of June 30, 1903, had total resources and liabilities of 2 billions 910 millions of dollars; their loans aggregated 1 billion 463 millions; their stocks and bonds 627 millions; their cash on hand and in bank 435 millions; their mortgages 173 millions; the aggregate value of their real estate and banking houses, 74 millions. Offsetting these, their capital stock amounted to 317 millions; the surplus funds and undivided profits, 362 millions; their deposits, including amounts due banks and bankers, 2 billions 183 millions.

By June 30, 1904, 82 other companies had been added to the previous total, and the resources and liabilities of the 994 companies reporting reached an aggregate of 3 billions 140 millions. A tabulation of the principal liabilities of these companies of one year ago shows that their capital stock amounted to 330 millions; their surplus and undivided profits to 379 millions; their deposits, general and in trust, to the sum of 2 billions 315 millions; their outstanding certifications, 10 millions; their balances due banks and bankers, 55 millions. An interesting fact because of the smallness of the item is that re-discounts as reported by the entire 994 companies amounted to less than 2 millions of dollars.

The Trust Companies having thus passed the three billion dollar mark in 1904, a remarkable result was next secured by tabulating the number of companies reporting, and their liabilities, as of June 30, 1905. The totals are, 1,115 companies, having capital stock 349 millions; surplus funds and undivided profits, 425 millions; de-

posits, 2 billions 847 millions; certified checks, 15 millions; due to banks and bankers, 107 millions; re-discounts, two and one-half millions; the present total of liabilities and corresponding resources amounting to the remarkable sum of 3 billions 802 millions of dollars.

Even in this total are not included the figures of some 344 companies not reporting on June 30 last, which with 88 new incorporations since that date bring the entire number of American Trust Companies up to 1,547.

With reference, however, to the 1,115 statements which have been tabulated, it appears that in each of eight States there are upwards of 100 millions of resources, these eight being:

Rhode Island.....	9 companies,	113 millions.
Missouri	27 "	141 "
New Jersey.....	60 "	162 "
Ohio	47 "	173 "
Massachusetts	42 "	220 "
Illinois	49 "	353 "
Pennsylvania	237 "	621 "
New York.....	78 "	1 billion 510 "

This last aggregate may be best interpreted by the fact that the growth in New York State for the first six months of this year has been over 100 millions of dollars and that in ten years it has been approximately 1 billion of dollars.

Much might be said regarding the strength of companies in other States as well as New York, particularly with reference to the amounts and proportions of aggregate capital stock as compared with aggregate surplus and undivided profits.

In New York State 62 millions of capital stock accounts show 160 millions of paid in and earned surplus and undivided profits.

In Pennsylvania 92 millions of capital stock accounts show 110 millions of surplus and profits.

In New Jersey 12 millions of capital show 20 millions of surplus and profits.

In Missouri 21 millions of capital show 25 millions of surplus and profits.

In Rhode Island 6 millions of capital show 9 millions of surplus and profits, it being a fact that in each of these States, and in several others, the book value of Trust Company shares is in excess of 200 per cent. of par, while the average for the entire country is an approximate book value of 221 per cent.

Referring again to New York State's 1 billion 510 millions of total resources, it may be of interest to present the fact that as late as October in the year 1870 the total resources of 1,615 National Banks throughout the entire United States did not exceed this sum. As compared with the present Trust Company aggregate for the entire United States, 3 billions 802 millions, it appears that not until the year 1897 did the country's 3,607 National Banks hold the equivalent in total resources of the amount of total resources now held by our 1,115 Trust Companies.

It should be remembered that to-day there are 5,757 National Banks, with no less than 7 billions 472 millions of dollars of total resources; but it is also interesting to calculate that this sum is only about twice the amount of the 1,115 Trust Companies' present 3 billions 802 millions of resources; also that the averages obtained by dividing the number of National Banks and the number of Trust Companies into these respective aggregates, show that the average resources of each National Bank are a shade under 1 million 300 thousand dollars, while the average per Trust Company is slightly in excess of 3 millions 400 thousand dollars.

What the true meaning is of such a sum as these 3 billions 802 millions of Trust Company resources may be best appreciated by a contrast or two, based upon some large aggregates found in other recent statistics.

The total assets of active life insurance companies in the United States at the beginning of the present year were less than two and one-half billions of dollars, or 1 billion 300 millions less than the resources of American

Trust companies. The total currency in the United States on July 1, last, was 2 billions 885 millions, practically 1 billion dollars less than the amount of total resources of the Trust Companies. The estimate of the Comptroller of the Currency for last year, regarding Savings Banks, was that 1,157 of these institutions had 3 billions 175 millions of total resources, or practically 600 millions less than those of the Trust Companies. According to Census Bulletin Number 21, which has just been issued, the commercial value of steam railways in the United States is given as eleven and one-quarter billions of dollars, a sum only about three times the total resources of our Trust Companies; it being a fact that in point of steam railway wealth the four leading States, Pennsylvania, New York, Illinois and Ohio, appear as having 3 billions 814 millions of commercial value, an amount almost exactly equivalent to the aggregate assets of our 1,115 Trust Companies.

A single illustration more. The Comptroller of the Currency estimated last year that the banking power

of the world—that is, bank liabilities, excepting balances due other banks—consisted of:

Banking power of the United States and Island possessions.....	13 billions 826 millions.
Banking power of foreign countries.....	19 " 781 "

A total estimate throughout the world of.....	33 " 607 "
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Will you, in conclusion and with thanks for your kind attention to all of these remarks upon the growth and status of American Trust Companies, permit, as a final thought regarding these 33 billions of banking power, that our Trust Companies, with their present liabilities of over three and three-quarters of billions of dollars—comparatively little of which is of the nature of moneys due other banks—offer as their contribution to the vast total of banking power a volume of credits which may be fairly said to constitute one-tenth, and even upwards of one-tenth, of the aggregate banking power of this and other countries, the world over.

Banking Publicity.

By FREDERICK PHILLIPS, Secretary Lincoln Trust Company, New York.

The economic, political and social development of our country has been necessarily accompanied by many changes in the forms of business and in the methods of conducting business. So rapid, however, has been the development during the past twelve or fifteen years and so radical have been the changes in that time that a comparison of old with new methods would seem to show a revolution. Question the merchant, the manufacturer, the lawyer, the doctor along these lines if you require testimony, although none realize these changed and still changing conditions in every field of business, in every walk of professional life, more thoroughly than the moneyed institutions. We are, then, at the present time working under conditions in business not only not known to the fathers of the younger generation, but unfamiliar to any of us a few years back. I venture to suggest that the chief factor in these changes has been modern scientific competition. However that may be, it is beyond question that these new economic conditions have created an imperative demand for new facilities in banking, for the fiduciary services of Trust Companies, for the privileges afforded by the Savings Banks, for the insurance issued by surety and casualty companies, for the investments offered by banking firms.

Now these facilities and services are as truly merchandise commodities as are corn, coal or dry goods. The banks sell credits; the Trust Companies sell services. We are on the same plane with the merchant in his warehouse.

Conceding, then, if you will, that the business of the moneyed institutions is commerce in every sense, although along highly developed lines, conceding that we all have our stock in trade as any business has, you must also concede that we can successfully avail ourselves of honorable and appropriate commercial methods of procuring business. In other words, a bank or a Trust Company needs depositors, customers, clients, patrons, whatever you please to term them, in the same degree as any other business, and of all means of procuring business the most effective is publicity. I use the word in its most modern sense, that of making public the merits of an article with a view to creating for it a market.

The purpose of this proposed Association, then, is to promote Banking and Trust Company publicity to the end that we may promote our business; and while we are all doing something in the way of publicity—for publicity is accomplished in divers ways, as by a handsome

edifice, a reputation for courtesy, a favorable report in the community—but few of us have fully availed ourselves of the supreme methods of publicity—printers' ink, both in the form of the newspaper advertisement and advertising literature.

The most successful publicity of this kind, and this kind of publicity is the most successful, is based upon education. The public is being daily educated to buy this and that brand of breakfast food, shoes, soaps, tooth powder; it is being educated to travel and care for its health by recreative sports; it is being instructed commercially, morally, politically by advertising publicity. Why shall it not, therefore, be liberally educated to the discriminating purchase of our commodities—to the use of the facilities of our banks, and the services of our Trust Companies?

But let us go farther, mark you, for while making public our own excellence, let us seek to teach the public to eschew all practices opposed to conservative banking; to avoid all financial traps, pitfalls and schemes; and to divest itself of all the risks and responsibilities attaching to personal and individual administration of fiduciary offices, the care of estates and the investment of funds. Our public is already a highly educated one, in that it knows a little something of everything, but if there are any things of which it possesses less real, serviceable and valuable knowledge than of anything else, it is of the business of banking, and the services of the Trust Company and the benefits and advantages of the various classes of moneyed institutions.

It was many years before the public learned to use the savings banks, and even to-day the savings banks are not understood as they should be for the welfare of the vast wage-earning class. On the other hand, our savings banks, I refer particularly to the mutual savings banks, carry many millions of money, such against their will, if I understand the matter rightly, money which they would prefer elsewhere than in their own institutions. So with the Trust Companies. How little are these admirably organized and thoroughly equipped institutions understood, although it is gratifying to note that day by day the public is more fully employing their powers. In short it is a fact that what the National, State and Savings Banks and Trust Companies can do to-day for the public, and how they do it, is far beyond the public's knowledge.

As stated, then, the primary object of this Association

is the systematic education of the public to the discriminating use of these institutions, and to inform it of the particular advantages of each.

It is hoped to accomplish these ends in part by the interchange of ideas, information and methods of publicity. It is proposed further to have local or district headquarters in each of the large cities, with a manager whose duty it shall be to keep in touch by correspondence with members throughout his district; to procure from them such literature, business forms, advertising matter, samples of soliciting and advertising letters, as may be obtainable, together with such statement, comment, remark or information as may prove useful for the guidance of members of the Association; each manager to be required to send to the Secretary one or more copies of all such literature, letters, etc., received by him; requests for information or specimens of such literature, etc., from member institutions to be addressed to the Secretary and to be answered and, if possible, granted by that officer.

There has been some misapprehension of the exact purport of this paragraph. It is not asked that members shall give up any trade secrets or private matters pertaining to the conduct of their business, but merely that they shall look at the plan in a broad way, and part with such of their printed matter, etc., as they believe will be useful for the purpose. Those favoring this Association must of course be of the mind that this interchange will not be the giving of something for nothing, but a *quid pro quo*, and that what in this instance is to the benefit of all must be to the benefit of the individual.

Finally it must be that the coming together from time to time of the members of this Association must be productive of good. At all events, such an Association as this, once organized and prepared for activity, will prove a useful instrument in proper hands and a power for good to the community in general and the banking world in particular in ways and along lines that may not yet have occurred even to us.

At a meeting held in Washington on October 10 in conjunction with the American Bankers' Association, the Banking Publicity Association of the United States was formally organized, by-laws adopted and the following officers duly elected:

PRESIDENT, Harold A. Davidson, Secretary Home Trust Company of New York, Brooklyn; FIRST VICE-PRESIDENT, D. C. Wills, cashier Diamond National Bank, Pittsburgh. VICE-PRESIDENTS, Pierre Jay, Vice-President Old Colony Trust Company, Boston; James E. Brock, Secretary Mississippi Valley Trust Company, St. Louis; E. G. Tillotson, Treasurer Cleveland Trust Com-

pany, Cleveland; Herbert P. Wenig, Auditor Windsor Trust Company, New York; C. E. Woodside, Manager Bond Department, Los Angeles Trust Company, Los Angeles, Cal.; Charles Moore, Secretary Union Trust Company, Detroit; C. J. Craft, Secretary Central Trust and Savings Company, Philadelphia; C. G. Ellsworth, First National Bank, Chicago; Stephen Appleby, Assistant Cashier Pacific National Bank, Tacoma; Robert J. Lowry, President Lowry National Bank, Atlanta; George W. White, Cashier Commercial National Bank, Washington, D. C.; TREASURER, Edward F. Felckert, Assistant Treasurer Plainfield Trust Company, Plainfield, N. J.; SECRETARY, Frederick Phillips, Secretary Lincoln Trust Company, New York.

The following institutions have expressed their approval of the purpose of the Association:

Lincoln Trust Co., New York.	Citizens Bank, Greenville, Miss.
Van Norden Trust Co., New York.	Trust Co. of Dallas, Texas.
Windsor Trust Co., New York.	Malden Trust Co., Malden, Mass.
Redmond & Co., New York.	Traders National Bank, Lowell, Mass.
Guardian Trust Co., New York.	The First National Bank, Birmingham, Ala.
Home Trust Co., of New York, Brooklyn.	York Trust Co., York, Pa.
Plainfield Trust Co., Plainfield.	Citizens National Bank, Spencer, Ia.
Old Colony Trust Co., Boston.	The Peoples Bank, Humboldt, Ia.
National Bank of the Republic, Chicago.	F. G. Farrell & Co., Bankers, Jacksonville, Fla.
Northern Trust Co., Chicago.	State National Bank, Bloomington, Ill.
The West Side Trust and Savings Bank, Chicago.	Security Storage & Trust Co., Baltimore.
Mississippi Valley Trust Co., St. Louis.	Third National Bank, St. Louis.
Cleveland Trust Co., Cleveland.	Easton National Bank, Easton, Pa.
Los Angeles Trust Co., Los Angeles.	Guarantee Trust Co., Atlantic City.
Union Trust Co., Detroit.	Dominick & Dominick, New York.
First National Bank, Oswego.	Equitable Trust Co., Chicago.
Diamond National Bank, Pittsburgh.	Real Estate Trust Co., Philadelphia.
Central Trust and Savings Co., Philadelphia.	The Royal Trust Co., Chicago.
First National Bank, Chicago.	Commercial National Bank, Washington, D. C.
State Bank of Chicago, Chicago.	Commonwealth Trust Co., St. Louis.
American Security & Trust Co., Washington.	Iron City Trust Co., Pittsburgh.
Union Trust Co., Philadelphia.	Union Savings & Trust Co., Cincinnati.
Mercantile Trust Co., St. Louis.	Interstate Trust & Banking Co., New Orleans.
Citizens Bank, Henderson, N. C.	Long Island Loan & Trust Co., Brooklyn.
National Underwriting & Bond Co., San Francisco.	American Trust Co., South Bend, Ind.
State Savings Bank, Detroit.	Security Trust Co., Wheeling, W. Va.
The People's Savings Bank, Detroit.	Portland Trust Co., Portland, Ore.
New Castle Savings & Trust Co., New Castle, Pa.	Guarantee Title & Trust Co., Pittsburgh.
Tioga County Savings & Trust Co., Wellsboro, Pa.	Barre Savings Bank & Trust Co., Barre, Vt.
The Security Trust Co., St. Paul.	Granite Savings & Trust Co., Barre, Vt.
Chemung Canal Trust Co., Elmira, N. Y.	Title Guarantee & Trust Co., Atlanta.
Spokane & Eastern Trust Co., Spokane, Wash.	
Pacific National Bank, Tacoma, Wash.	
Merchants National Bank, Nashville, Tenn.	
Humboldt Savings Bank, San Francisco.	

The Benefit of a Real Estate Department to a Trust Company.

By LORENZO E. ANDERSON, Vice-President of the Mercantile Trust Company of St. Louis.

The Trust Company, in many States of the Union, on account of its liberal charter, is authorized not only to do a general banking business, but also to do everything or anything else where bonds, stocks, mortgages or real estate enter into or are part of the transaction, and from my observation very few transactions of any magnitude are negotiated without real estate being one of its important factors. Take one of the most important departments of a Trust Company—namely, the trust department. I say "most important" because it is the department where trust in its truest sense should be exemplified, as it has the management of estates for widows and orphans, and it frequently happens that the largest portion of such estates consists of real estate. Then it is that the real estate department is of inestimable value to the Trust Company, as every well equipped real estate department should have experienced appraisers, salesmen

and rent collectors, of whose integrity and ability there is no question and the company thus avoids the necessity of seeking outside assistance in the management of the real property belonging to such an estate.

And it is through the real estate department, in a majority of cases, that it is possible for the trust department to secure the management of such estates, because when a person makes his will, and is possessed of considerable means, his first consideration is to name as executor of his estate some individual or corporation in whom he has the greatest confidence, and the fact that the Trust Company has managed his real estate affairs satisfactorily and successfully during his lifetime, and is thoroughly familiar with all the details of his property, influences him to a great extent in selecting such company to handle his estate after his death.

The financial department of the Trust Company is

benefited in many ways by the real estate department. For instance, when money is easy and the financial department has a surplus of idle cash on hand, the real estate department can be called on to procure for it investments in the form of real estate loans, and as these loans are made only on a conservative basis, after the property has been inspected by men experienced in that line and approved by the officer in charge of the real estate department, they can again be disposed of through that department without any difficulty in case it becomes necessary or desirable to do so.

The real estate department is also the medium through which the financial department secures a number of depositors. Take the case of an individual whose property is sold through the real estate department. He comes into the office to close up the transaction and the consideration is paid to him in cash, or part cash, and the remainder by deed of trust and notes. It is frequently only necessary to make the suggestion to him that he open an account with the company with the proceeds of the transaction, and it is very seldom that one will leave the office without doing so. It is not an uncommon occurrence in the real estate department for a buyer to make the cash payment on a real estate deal by a check drawn on the company and for the seller to open an account with the company by depositing the same check, the company thereby making a commission on the sale of the real estate and securing a new depositor on the same transaction.

If, however, the person desires to convert the proceeds of a real estate sale into an investment other than real estate he is referred to the bond department, where he will undoubtedly invest the money in securities which that department offers. Thus the bond department is provided with a new client, who, if it were not for his dealings with the real estate department, might never have transacted business of any character with the company. The deposits of a successful real estate department are in themselves a considerable item, if it has a large rent roll.

In 90 per cent. of all real estate transactions only a part of the consideration is actually paid in cash, the balance being secured by deed of trust and notes on the property sold. The seller, therefore, after the sale has been consummated, has on hand a number of valuable papers, which he will desire to place in a safe repository, and as the safe deposit department of the company is so convenient, he is certain to rent a safe deposit box from that department. As the notes become due they are placed with the collection department and the proceeds deposited to his account. In this manner the customer is enabled to transact all the details of a real estate deal with one company, making it convenient for him and profitable for the company.

Then again a large number of people have occasion to visit the real estate department. Some of them come in to rent a house, others to pay rent or purchase property and some to inquire about real estate. Many of them may not transact any business at the time, but there is a possibility of each person becoming a customer at a later date, by reason of their remembering the former visit. Again, if one takes into consideration its value from an advertising standpoint, he can readily see how beneficial it is to an institution to have a great many people constantly entering and leaving its building.

It also benefits the Trust Company from an advertising standpoint, by continually keeping the name of the company before the public, through the medium of the newspapers, sign boards and rent bills which are scattered throughout the city. In the case of the Mercantile Trust Company (I mention this company because of my knowledge of its affairs), one cannot visit any portion of the city of St. Louis without seeing its name on some sign announcing property for sale or lease, and every day in the year its name will be found in the newspaper for a like purpose. It is needless for me to comment on the ad-

vantages of such extensive publicity, as it brings the company in touch with every man, woman and child in the community who may some time have occasion to transact business with a Trust Company.

It may not be out of place here to say that the real estate department, besides being advantageous to the company of which it is a part, contributes in a manner to the prosperity of the city in which it is located, by promoting syndicates for the conducting of large real estate enterprises. The real estate department of the company with which I am connected has organized corporations and promoted deals aggregating millions of dollars. For all of these corporations it simply acted as agent, not being interested in any of them as a stockholder. In other words, in the promotion of the syndicates the real estate department, or the Trust Company, had no direct interest whatever in the corporations, apart from acting as agent for the sale of property owned by them for collecting rents on same, or performing the duties of manager of construction of office buildings or commercial structures being erected by the syndicate, for which services it receives commissions and fees. In addition to this it has the placing of insurance, letting of repairs and payment of taxes on all such buildings, making it necessary to handle large sums of money and transact business with a great many people, and as a result of these dealings a large portion of these individuals subsequently become regular patrons of the institution.

In the affairs of a community, the real estate agent ranks next in business importance to the banker. Real estate from time immemorial has been the foundation of all values and has furnished more business for different lines of trade than any other commodity. The iron foundries, brick manufacturers, lumber merchants, certain professions and all mechanics are prosperous when the real estate business is good. The real estate agent is the herald of progress, the maker of villages, towns and cities, and his efforts mark the advancement and progress of municipalities, and any Trust Company is indeed fortunate to have among its departments a well equipped and properly conducted real estate department.

In order to be valuable, a real estate department must be progressive, must be competent to cope with and carry to successful issue enterprises and deals of any magnitude. To do this it must necessarily attract capitalists and capital seeking this avenue of investment, and it is a well-known fact that many of the most prosperous citizens of large cities invest only in real estate. Real estate is the investment which is sought by many who have made their money in other channels and who, desiring to convert their funds into an investment which they know to be safe and which will net them a good return, naturally turn their thoughts to real estate. The Trust Company, by reason of its prominence and reliability, having attracted their attention, it is through it that they make investments of this character, if the company has a real estate department, and it thus secures a class of investors it would not otherwise have obtained.

In summing up the advantages accruing to the Trust Company from a real estate department, I would say that it not only benefits all other departments, but is in itself profitable. As an individual department, the real estate department of the Mercantile Trust Company is operated as a separate and distinct branch—that is, it pays for all its own advertising, pays the salaries of the officers of the Trust Company who have charge of the department, as well as of all the employees connected with the department, and defrays all the other expenses incurred in the conduct of the department. It also makes a monthly statement to the company, at the same time turning over to it the net results of the month's business, which, in the case of the institution with which I am associated, has always been of such a satisfactory nature that I am inclined to believe that the real estate department is one of its most valuable assets, as it is not only unnecessary for the company to invest any of its capital

in any of the transactions of that department, but that it is self sustaining and profitable. In my opinion no Trust Company is complete without a real estate department, because the object of a Trust Company should be to take care of everything that comes its way. In other words, it should let nothing escape that may result in a

commission or a fee, and it is my firm belief that a company is not in a position to do this unless it has a real estate department as one of its departments. Therefore, I unhesitatingly say that every Trust Company should have a real estate department if for no other reason than that it will pay, if properly conducted.

KIDDER, PEABODY & CO.

BOSTON

Investment Securities

Foreign Exchange

Letters of Credit

Detailed Report of Proceedings.

Ninth Annual Meeting TRUST COMPANY SECTION, Held at Washington, D. C.,
October 10, 1905.

New Willard Hotel.

The meeting was called to order by the President, Mr. E. A. Potter, President of the American Trust & Savings Bank, Chicago, at 10:30 o'clock a. m.

Prayer by Reverend Robert M. Moore.

The President: I take great pleasure in introducing Mr. Stellwagen, of Washington.

Address of Welcome by Edward J. Stellwagen, President of the Union Trust Company, Washington, D. C.

Mr. Chairman and Gentlemen:

Hospitality, it seems to me, should impress itself by deeds rather than by words, and a true and heartfelt welcome needs no formal phrasing.

Assuredly "it goes without saying" that an association of men brought together to consider questions affecting the advancement, direction and security of the great financial institutions of the country is welcome, thrice welcome, to the Nation's Capital.

It is your right to be here, and it is, it seems to me, our right to have you. Because the Capital is here and because here at the Capital is, and must always remain, the inspiration, direction and control of our great National System of Finance, Washington should, in my opinion, be the permanent place for the annual meetings of the American Bankers' Association; but however this may be, the fact that you are with us for this ninth annual meeting of the Trust Section is a source of exceeding pleasure and gratification, not only to those of us who are connected with local financial institutions, but to all of our people, in whose name it is my privilege to bid you welcome.

May I detain you long enough to express the hope that among the useful subjects to be considered by our Trust Company Section the question of protective laws and measures may receive positive and particular consideration, and by protective laws and measures I mean those which are at once protective to the companies and to their clients and depositors.

The growth and successful development of Trust Companies in this country is almost marvelous.

In a comparatively few years they have intrenched themselves firmly in the confidence of the public and its favor. They have rapidly broadened the scope of their operations, each year entering upon new fields of enterprise and endeavor, and adding new departments for the simpler and safer administration of the affairs of men.

With this rapid growth and development in number, in scope, in favor, in influence and in wealth has come a corresponding increase in responsibilities, in temptations and in dangers, which are so unfortunately emphasized in recent disclosures of corrupt and corrupting practices connected with some corporate institutions and their management.

Notwithstanding the rapid advancement in heretofore untried fields of corporate development, the ease with which charters may in some localities be obtained, the small capital required and the some time absence of protective provisions, the record of Trust Companies for stability, conservatism and integrity in management is good and clean, and their immunity from disaster and scandal is rightfully a matter for pride and congratulation. But, gentlemen, we must not rest content with that record, excellent though it be; our increasing success and development creates new conditions, which bring with them new dangers, and these require better methods, stronger safeguards and stricter scrutiny and care.

Let us, then, by raising our standards, safeguarding our investments, favoring charter requirements and restrictions (perhaps along the lines of the provisions of the National

Banking Act), endeavor earnestly to make it impossible for disaster born of carelessness, fraud or corruption to overtake Trust Companies.

I had intended calling attention to some of the provisions of the Trust Company Act under which the corporations of the District of Columbia operate which seem to us of peculiar force and value, but I have already, I fear, trespassed too long upon your time and patience and will leave the further discussion of the important subjects to be considered by our Section to my more experienced associates.

Again, gentlemen, I bid you welcome to our beautiful city of Washington—our city, which is your city, for none of you shall be as strangers within our gates.

Reply to Address of Welcome, by Edwin A. Potter.

For many years the American Bankers' Association has held its conventions in one of the great industrial cities of the country, where commercial strife, enterprise and business activity have been the predominating influences and spirit of the locality. And while appreciating the place which Washington holds in the business world, it is a special pleasure to us to assemble on this occasion in this, the beautiful Capital of the Nation, a centre of art, literature and politics. Every citizen of the United States feels a certain sense of proprietorship and pride in Washington, which is admitted to be the most beautiful city in America, and will be still further beautified when the plans which the District Commissioners have in hand are fully developed and carried out.

Washington is rich in historical interest; her galleries and public buildings contain the portraits and her parks the statues of illustrious statesmen, soldiers and sailors who have been such important factors in shaping our past history; and, while justly proud of those great men and of their achievements, we have reason to congratulate the country, and, in view of more recent events, the whole world, upon the personnel of our present Administration, whose executive head is a man endowed not alone with remarkable physical force and courage, but that higher attribute, great moral courage—a man of a mentality so virile, distinctive and illuminating that its influence is felt not only in this country, but throughout the world; a man of strong convictions, with the courage of his convictions, quick to see the right and prompt to act without fear or favor, making new precedents whenever occasion demands, enjoying to an eminent degree the confidence of the whole people irrespective of party, with the result that, as a nation, we are harmonious and prosperous at home and respected abroad.

The material development of this country is the wonder of the age. Her fields, her factories and her natural resources are putting forth their products in such quantities as to excite the admiration of the world. Along with this development must, and has naturally, come a more extensive development of our financial necessities and institutions, and in no direction has this been more marked than in the Trust Companies, whose rapid growth has brought them prominently into public notice. Much has been said and written of late about placing the Trust Companies under Federal supervision. The Honorable Secretary of the Treasury, in his last report to Congress, recommended legislation that would enable Trust Companies to incorporate under Federal laws. While I do not at this time care to express an opinion on this subject, I do want to go on record as advocating frequent and rigid official examinations, whether State or Federal.

There should be no theory about administering affairs of Trust Companies other than that which applies to every

business—namely, administering them upon the broad, deep principles of conservatism, honor and integrity.

The citizens of Washington have demonstrated their faith and confidence in Trust Companies to a greater degree than have those of any other city in the entire country, for, according to the report of the Comptroller of the Currency, the deposits of the Trust Companies of Washington exceed those of her National Banks by about 70 per cent. Surely the members of the Trust Company Section of the American Bankers' Association have fallen among friends, and on their behalf I thank you and those you represent for your most cordial, hospitable and gracious welcome.

Upon motion the report of the Secretary was received and filed.

Report of Secretary.

New York, September 1, 1905.

To the Members of the Trust Company Section:

RECEIPTS.

By balance, September 1, 1904.....	\$812.05
By appropriation of Executive Council, September 16, 1904.....	1,000.00
By appropriation of Executive Council, May 3, 1905.....	1,500.00
By sale of four Trust Company Forms at \$12.....	48.00
By sale of Trust Company Section Proceedings, 1896-1903.....	663.75
By debit balance.....	216.54
	<hr/> \$4,240.34

DISBURSEMENTS.

Proceedings, 1904.....	\$574.75
Proceedings, 1896-1903.....	1,273.51
Expenses Executive Committee meeting, New York, May 2, 1905.....	884.30
Salary.....	837.50
Stationery, printing and postage.....	580.08
Expenses of Convention in New York.....	90.00
	<hr/> \$4,240.34

To debit balance, September 1, 1905..... 216.54

At the close of the fiscal year, August 31, 1904, 566 members had paid their dues, but, owing to withdrawals and liquidations, sixty-eight were dropped from membership, leaving 498. One hundred and forty having been added to the rolls since September 1, 1904, the present membership is 638, the largest in the history of the Section.

Respectfully submitted,

JAS. R. BRANCH,
Secretary.

Report of the Executive Committee. Report by the Chairman, Festus J. Wade.

The Executive Committee of the Trust Company Section of the American Bankers' Association respectfully submits the following report:

The membership in the Section during the past year as reported by the Secretary shows a gratifying increase.

The continued organization of new Trust Companies in the different States justifies the belief that our membership may still be largely added to, and the influences of the Section strengthened, particularly through the work of our Vice-Presidents, by bringing to the attention of these newly organized companies the advantages of membership in the Section.

To this end each Vice-President will be given a list of the Trust Companies in his State not members of the Association, and during the coming year it is hoped that by direct effort on the part of these officers the membership in the Section may be largely increased.

The regular meeting of your Executive Committee was held in New York on May 2, at which there were thirteen members in attendance. At this meeting the Committee on Protective Laws made its report, a synopsis of which it was requested to present at this meeting of the Section.

The Committee on "The Classification of Legal Decisions Relating to Safe Deposit Companies; Duty and Liability to Box-Holders, and a Compilation of the Rules and Forms of Typical Companies" also made its report, and, by vote of the committee, was requested to submit the same, together with the report of last year, in printed form at this meeting of the Section.

Pursuant to the action taken at the last meeting of the Section, the address delivered at that meeting by Mr. Jordan J. Rollins on "The Protection of Trust Companies Acting as Transfer Agents and Registrars" was printed in

pamphlet form and sent to every Trust Company in the country.

In accordance with the further action of the Section, the Executive Committee referred to a sub-committee the general subject of the protection of Trust Companies acting in these capacities, with the suggestion that proper forms for the use of Trust Companies in the registration and transfer of securities and as trustee under corporate mortgages be submitted to the Section at its coming meeting. This sub-committee was also charged with the duty of ascertaining the average fees for the performance of these services. The report of this sub-committee is given in full.

The undersigned, as a sub-committee appointed by the Executive Committee of the Trust Company Section of the American Bankers' Association to consider the recommendations contained in a paper upon transfer agent and registrar read at the last meeting of the Trust Company Section, and to make report thereon to the Executive Committee, do hereby respectfully report:

1. That while the Trust Companies do not admit that in acting as transfer agent or registrar they assume any such measure of responsibility as that suggested by articles read before the Convention at various times, it would be desirable to eliminate absolutely the opportunity for any claim that the Trust Company serving in either capacity is liable save as an ordinary agent. Obviously, there are but two ways in which liability can be defined in advance: either by agreement between the principal and agent or by legislation. The latter was recommended in the article under consideration, since a statute would as clearly affect the investing public as the company issuing the stocks transferred or registered. The form proposed for New York was as follows:

"Section 156. Powers of Corporation. Upon the filing of any such certificate of authorization of a trust company, the persons named therein and their successors shall thereupon and thereby become a corporation which, in addition to the powers conferred by the General and Stock Corporation Laws, shall have power,

"1. To transfer, register and countersign certificates of stocks, bonds and other evidences of indebtedness of corporations, with liability to such corporations and to the owners or holders of such certificates of stock, bonds or other evidences of indebtedness solely for the negligence or willful misconduct of its officers in reference to such certificates of stock, bonds or other evidences of indebtedness, or in the appointment, or employment of its agents, clerks or employees dealing therewith.

"2. To act as the fiscal or transfer agent of any State, municipality or body politic."

It was suggested, also, that there should be some statutory provision making the limitation of liability apply to Trust Companies existing at the time of the adoption of the statute, whether incorporated under general laws or special acts. Thereby Trust Companies would be precluded from undertaking on any terms a form of contingent liability, which is more properly an insurance risk.

2. If in any State it shall not be possible or convenient to obtain legislation of the character indicated, then such protection as may be afforded by the adoption of appropriate indorsements is recommended.

As regards the transfer agent, the form employed may be:

"Countersigned:

.....Trust Company, as Trustee.
By.....Secretary."
"Registered this.....day of.....
.....Trust Company.
As Registry Agent."
"Registered this.....day of.....
.....Trust Company,
As Registration Agent."

In the form now commonly employed the signature of the Trust Company is followed simply by the word "Registrar," but this form does not as clearly show that the registrar is an agent as do the other forms suggested.

3. As regards bonds, the committee recommends the adoption of the following indorsements:

"It is hereby certified that this bond is one of the series

of bonds mentioned and described in the mortgage or deed of trust within referred to.

....., Trust Company, as Trustee.
By, Secretary.

There also may be inserted in the mortgage some such protective provision as the following:

"As a condition precedent to the acceptance of the said trust by the Trustee it is further stipulated and agreed by and between the parties hereto and all present, or future holders of bonds secured by these presents, that the Trustee shall not be answerable for any act, default, neglect or misconduct of any of its agents, representatives or employees, by it appointed or employed in connection with the execution of any of the said trusts, nor in any other manner answerable or accountable under any circumstances whatsoever, except for gross negligence or bad faith; that the recitals contained herein, or in the bonds as to priority of lien, due authorization or any other matter whatsoever, are made by and on the part of the Company, and the Trustee assumes no responsibility for the correctness of the same; also, that it shall be no part of the duty of the Trustee to file or record this indenture, mortgage, deed of trust, assignment or other instrument whatsoever that may be delivered to it under the terms of this instrument as a mortgage, deed of trust or conveyance of real estate, or as a chattel mortgage or conveyance of personal property, or to renew such deed of trust or mortgage, real or personal, or to procure any further, other or additional instrument of further assurance, or to do any other act which may be suitable and proper to be done for the continuance of the lien or charge hereof, or for giving notice of the existence of such lien or charge, or for extending or supplementing the same; nor shall it be any part of its duty to effect insurance against fire or other damage on any portion of the premises or property hereby mortgaged, or to renew any policies of insurance, or to keep itself informed as to the payment of any taxes or assessments, or to require such payment to be made; but the Trustee may do any or all of these things.

"The Trustee shall not be compelled to take any action as Trustee under this mortgage unless first properly indemnified to its full satisfaction, nor shall it be chargeable with notice of any default on the part of the Company except upon delivery to it of a distinct specification in writing of such default by some person or persons interested in the trust, whose interest, if the Trustee shall require, must be proved to the reasonable satisfaction of the Trustee.

"In case at any time it shall be necessary and proper for the Trustee to make any investigation respecting any fact or facts preparatory to taking or refraining from taking any action, or doing or not doing anything, as such Trustee, the certificate of the Company under its corporate seal, attested by the signature of its President or Secretary, or the affidavit of one or more directors, shall be conclusive evidence of such facts to protect the Trustee in any action or position that it may take or assume by reason of the supposed existence of such facts.

"It is further covenanted and agreed that the Trustee under this deed of trust is, and shall be, entitled to reasonable compensation for all services rendered hereunder, or in connection with the trust, which compensation, together with any and all necessary and reasonable expenses, charges, counsel fees and other disbursements incurred by the Trustee in the discharge of his duties as such, shall be paid by the Company or out of the trust estate upon which they are hereby made a lien and charge superior and prior to those of the bonds secured hereby.

"The Trustee shall be protected in acting upon any resolution, notice, request, consent, certificate, affidavit, voucher, bond or other paper or document believed by it to be genuine and to have been passed or signed by the proper party.

"Every Trustee hereunder may at any time resign from the trust by mailing, at least sixty days before such resignation shall take effect, a duly addressed notice in writing to that effect to the Company, and to all bondholders who may be known to the Trustee to be such, and whose addresses shall likewise be known to it."

The committee, however, does not intend to suggest that the inclusion of such a protective provision as that quoted above would do away with the necessity for the employment of counsel by a Trust Company in accepting a corporate mortgage trusteeship.

As to fees, the Chairman of your Executive Committee, in carrying out the wishes of the last Convention, addressed a letter to many Trust Companies in various parts of the country, and the replies thereto point to a practical unanimity on this subject. Charges for acting as Trustee under corporate mortgages are based on so much per bond, usually \$1.00 each for small issues, the term "small" being relative, conditions, localities and legal and other services to be taken into consideration and charged accordingly. The larger companies, in paying coupons, make no charge when the money is deposited with them at least ten to thirty

days in advance of payment, otherwise a charge of $\frac{1}{4}$ or $\frac{1}{2}$ per cent is proper, except as to the general principle that a transfer agent should be paid twice as much as a registry agent. It is difficult to formulate any definite rate for these services, charges depending upon the capitalization and activity of the stock to be transferred and registered, as well as various other considerations which will occur to every one. Your committee can only point out that the charge made for such services should not by any means cover the entire profits to the Trust Company in rendering these various services. Establishing friendly relations with a corporation as its trustee, transfer agent or registrar, should lead to closer relations in the various lines of Trust Company activities, and the profits resulting therefrom must be kept in mind in considering the initial charge.

The committee desires to express its appreciation of the valuable assistance of Mr. Jordan J. Rollins in connection with the legal questions involved in its work.

Respectfully submitted,

PHILIP C. BABCOCK,
FESTUS J. WADE,
CLARK WILLIAMS,

Committee.

As the dangers to the legitimate financial and fiduciary institutions are involved by the improper use of other descriptive terms in corporate titles beside the word "Trust," such as "Bank," "Saving," "Security," etc., the Executive Committee by resolution has instructed the representatives of the Trust Company Section to lay the matter of the enactment of General Protective Laws before the Executive Council of the American Bankers' Association, with the suggestion that the proper legal committee co-operate with the Section in the future.

The committee calls attention to the fact that the proceedings of the Trust Company Section from its inception, including 1903, have been published in one volume, and it is believed that the addresses, papers and discussions contained therein will be of great value to the Trust Companies throughout the country. This book is on sale in the registration room at a price to cover the cost of its publication by the Section, and may be had on application to the Secretary of the Association.

The members are also reminded that a number of typical Trust Companies in different parts of the country have furnished blank forms of all characters used in their different departments, which are lodged with the Secretary at No. 11 Pine Street, New York City, for the use of members of the Section.

Your committee is of the opinion that the largest benefit of these meetings is derived from the discussion of practical subjects and the interchange of views upon matters of vital importance to Trust Companies of the country. The members are therefore particularly invited to participate in such discussions.

Respectfully submitted,

EXECUTIVE COMMITTEE.

FESTUS J. WADE, Chairman.

On motion the report of the Executive Committee was received and filed.

The President: The next order of business is the report of the Committee on Protective Laws.

Report of the Committee on Protective Laws.

To the Members of the Trust Company Section of the American Bankers' Association:

Your Committee on Protective Laws respectfully reports as follows:

As the result of the action taken at the last meeting of the Section a standing committee of three was appointed, to be known as "The Committee on Protective Laws," and was charged with the duty of accomplishing two specific objects:

1st. To determine the present condition in the different States as to the supervision of Trust Companies by the proper State officials, and to endeavor to secure where necessary the enactment of laws providing for such State supervision.

2d. To endeavor to secure in the different States the

enactment of laws prohibiting the use of the word "TRUST" in corporate title of any corporation not a moneyed corporation and chartered to do a Trust Company business.

As the work possible of accomplishment in one year was necessarily limited, it seemed wise to your committee to direct its attention to the States having the larger number of Trust Companies. On the basis of the last accurate list of the Trust Companies of the country as of July 1, 1904, there were twenty-five States having more than ten Trust Companies. Of these States the following have laws providing for supervision which, with but few exceptions, is thorough and satisfactory:

State.	State.
Alabama,	Massachusetts,
California,	Missouri,
Connecticut,	New Jersey,
Georgia,	New York,
Illinois,	North Carolina,
Indiana,	Pennsylvania,
Iowa,	Rhode Island,
Kentucky,	Vermont,
Louisiana,	West Virginia,
Maine,	Texas.
Maryland,	

In the following States there is no supervision of Trust Companies, although in several cases periodical reports must be made to the State:

State.	State.
Arkansas,	Tennessee,
Ohio,	Virginia.

On the basis of the last accurate list of Trust Companies above referred to, in the twenty-one States having laws providing for State supervision, there were 751 Trust Companies, and of these 452 are members of the Section. In the four States having no supervision there are 112 Trust Companies, and 67 members of the Section. Seventy-six per cent of the Trust Companies of the country were under State supervision.

As to the restriction of the use of the word "TRUST," the following States now have laws providing for such restriction:

State.	State.
Indiana,	Maine,
Massachusetts,	Rhode Island,
New Jersey,	Texas,
New York,	West Virginia.
California,	

In the case of the five States last mentioned this law was passed at the recent meetings of their respective legislatures.

There were 316 Trust Companies in these 9 States, of which 207 are members of the Section.

The laws enacted, in almost every instance, have been along the lines suggested, and in several cases the exact wording of the bill recommended by your Committee has been used.

The co-operation of the Vice-Presidents of the Section in the different States has been of the greatest advantage in accomplishing definite results. In many States in which there were no meetings of the legislative body during the past year, the interest of the Vice-Presidents may be relied upon in securing the enactment of the desired laws during the coming meetings of the several legislatures.

The Committee is of the opinion that only by continued effort from year to year can the ends desired by the Section be accomplished, and its members bespeak for their successors in the work the hearty co-operation of all concerned.

Respectfully submitted,

E. A. POTTER,
FESTUS J. WADE,
CLARK WILLIAMS.

On motion the report was received and placed on file.

The President: The next is the report of the Committee on Classification of Legal Decisions Relating to Safe Deposit Companies, Audit and Liability to Box-Holders, and a Compilation of the Rules and Forms of Typical Companies.

We have not received this report.

The next is an address, "Benefit of a Real Estate Department to a Trust Company," by L. E. Anderson, Vice-President of the Mercantile Trust Company of St. Louis.

Benefit of a Real Estate Department to a Trust Company, by L. E. Anderson.

[Mr. Anderson's paper in full will be found on pages 130 to 132 of this publication.]

The President: The next is a statement of the "Growth and Present Status of Trust Companies in the United States," by Mr. Edward T. Perine, General Manager of The Audit Company of New York.

Growth and Present Status of Trust Companies in the United States, by Edward T. Perine.

[Mr. Perine's paper in full will be found on pages 127 to 129 of this publication.]

The President: I think the excellent paper which we have just heard ought to impress upon us the importance of the business we have in hand, and that the Trust Company Section should become a homogeneous body and work to a uniform system. I won't say the same as the National Bank system, but certainly a uniform system, with protective laws in every State.

The next is a statement of the "Purposes and Scope of the Banking Publicity Association of the United States," by Frederick Phillips, Secretary of the Lincoln Trust Company of New York.

Banking Publicity, by Frederick Phillips, Secretary Lincoln Trust Company, New York.

[Mr. Phillips' paper in full will be found on pages 129 to 130 of this publication.]

Discussions.

RELATIONS BETWEEN BANKS AND TRUST COMPANIES.

The President (after a pause): It is certain those relations ought to be of the most friendly character, and perhaps there is nothing more to be said on the subject. In New York City they are certainly very close. If there is nothing to be said on the subject we will pass to the second topic.

VALUE OF A BOND DEPARTMENT TO THE TRUST COMPANY.

Mr. Caldwell, of the American Trust and Savings Bank of Chicago: Mr. President, I do think this subject ought not to go by without the Section hearing from some representatives present who are conducting bond departments in connection with Trust Companies. I know I came into the Section this morning hoping to hear something on the subject. As I came in I asked the President if I might have a seat with the other delegates, and he said "Yes." I said, "I am interested in the value of a bond department in connection with the Trust Company." He said: "I can answer that the value is in the profit you are able to turn in." That answer is not inconsistent with the man or with the spirit of the Trust Company business. As I take it, that is not the whole value of a bond department to any well organized Trust Company, however. It is now common in the West and Central West for nearly all the Trust Companies, at least in the larger States, to have an organized bond department. I presume most of them have been organized to supply a demand that has grown up with the growth of those companies by reason of the fact that people come to the officers of those companies with annoying questions in regard to investments that they desire in the form of bonds. I believe that if you undertake to become the custodian of the money of widows and orphans, and also to become the custodian of diverse and sundry bonds without the knowledge, the technical knowledge necessary to possess in the investment of money in bonds, you are liable to make a serious mistake. Therefore, a well regulated bond department is of material value to the Trust Department.

To the financial department of the Trust Company there is no more profitable way of investing your surplus money than through the medium of a bond department. Again, in the financial department there is no better way to replenish your cash, your reserve, if you please, than through the medium of a well regulated bond department, by selling the bonds at a time when money is most active, to be loaned out to your customers. Every private individual invests his surplus either in real estate or in stocks or bonds. Every well regulated Bank invests in bonds, every Trust Company is bound to do the same thing; and where the Trust Company can afford it, whether it be small or large, they should have a bond department equipped with all the

knowledge that is to be acquired, so that when they become executor or administrator of an estate they are capable of handling that business without going outside the door.

There are so many things that I will think of to-morrow that I would like to tell you about the bond department, and which I cannot now recall; but I would like to hear the question discussed generously here. Many of us are a thousand miles or two thousand miles from home, and if these propositions are suggested and not discussed there is hardly any use of our coming here. (Applause.)

Mr. H. C. Harvey, Cashier American Bank & Trust Company, Huntington, West Virginia: Mr. President, in our section of the country, and I suppose all over the country, one of the functions of a Trust Company is to register and certify bond issues, thereby putting a safeguard around them that will prevent forgeries. The best article I have read upon this subject appeared in the American Bankers' Magazine from the pen of that able writer, Clark Williams, of the United States Mortgage and Trust Company, New York, on March 25th, of this year. I would like to see this Association appoint a committee of not less than three to compile literature, as the gentleman from Oregon has just said, literature which is to the point, and to educate the people, especially in the municipalities and in our counties, upon the necessity of having bond issues registered and certified by a reputable Trust Company before they are offered to the public. That literature ought also to be disseminated through the banks of this country.

I find, gentlemen, that National Bankers are not posted on the bond question as they ought to be. A bank in my neighborhood took a county bond as collateral security that was not registered and certified by a Trust Company; they took that as collateral security, and it was renewed time after time, and they carried it for three years on renewals. At the end of three years they found that it was a forged bond and not worth the paper it was written on. The article written by Mr. Clark Williams will show you how those forged bonds have reached your own city of New York. One bank there was caught for \$145,000, money loaned on an issue of \$155,000 of forged bonds.

Every safeguard ought to be placed around these bonds if possible to prevent forgeries. If a bond is registered and certified by a Trust Company, we placing our certificate upon the back of the bond, under the seal of our corporation, and cutting the end of that bond with the protectograph the size of the bond to prevent it from being raised, we throw a safeguard around it that helps to prevent it being forged. Not only that, but the income from registering and certifying bonds is quite an income to the Trust Company. I would like to see this Association take the matter in hand to try to educate the people up, the municipalities, and so forth, to having their bonds registered and certified by a Trust Company.

In one of the municipalities in our locality not long ago one of these so-called bankers came out and called upon the Mayor and clerk, and told them that it was not necessary to have them register and certify the bonds and pay the little fee required for that work, but stated that he would take those bonds without being registered and certified and would give them as much as anybody else would give. Who knows but what they may have ten times the amount necessary printed upon that plate, and with the signatures of the Mayor and clerk? And so I would like to see you take some steps to throw a safeguard around the bond issues. (Applause.)

EDUCATIONAL WORK TO DEMONSTRATE THE SUPERIORITY OF THE TRUST COMPANY IN FIDUCIARY CAPACITIES.

Mr. Benjamin I. Cohen, President of the Portland Trust Company of Oregon: This subject, gentlemen, is one which is very dear to my heart, and I will have to allude to my own institution in order to show the work we have done. Up to this time in this direction we are a small concern, with total assets of about a million and a quarter. We have no laws authorizing us to act as executors or administrators, and so our trusts are private agreements; in

cases where people wish to make us testamentary trustees, which is allowable, we usually have one of our officers appointed temporarily to act in any capacity necessary, doing all the work, however, through the machinery of the Trust Company. Now, I recognized in the first instance that in order to educate the public we had to attract the personal attention of the individual. I therefore, being somewhat fond of literary work, wrote two little books, one about three years ago, which we call our Book of Illustrations, and the other very recently, entitled "What Is a Trust Company?" They are small and can be read in ten minutes. They are neatly printed and nicely put together. The Book of Illustrations we desire to attract money, the idea being by attracting money we would be in a position to conduct trusts, and, as some speaker has said, if a man puts his money in with you he generally wishes you to conduct other business for him. The Book of Illustrations, therefore, was written in what I call the telegraphic style; it is short and pithy, and each illustration is to the point. We advertised in the paper three times a week, making our advertisement short and direct, usually with some catchy heading, and always ending by saying "Please call or send for our Book of Illustrations." Then when it is sent for it is accompanied with a pleasant little note, and we are pretty sure he is going to read every word of it. If he calls at the bank he is received courteously by one of the officials, and if his business seems to be of sufficient importance he is shown into my room, and if he comes into my room his door is sealed; my rule is not to let him get away with any more money than is necessary to pay his carfare home. (Laughter.) The particular branch of our business which this book illustrates has grown enormously in three years. Less than three years ago we had deposited in the department to which that book refers about \$85,000; to-day we have about \$550,000. We have gotten no end of business for every department of our company besides that and in connection with that, and the little booklet has paid for itself a thousand times over.

In doing this work, in directing the attention of the public, we were frequently approached with the question, "What is a Trust Company?" A friend of mine once remarked to me, "There are millions of people who never heard of Pears' soap," and there are untold millions of people who have never heard of a Trust Company. So I looked around for a book that told what a Trust Company was. The best kind of a little book of that kind I found was one issued by the Union Trust Company of Detroit, but the trouble with that was that it was too elaborate; their book was one for a student rather than for a business man. The next best to that I found was a book by Mr. Harris, of the Mercantile Trust Company of St. Louis, used by the students of the Missouri University, I think, which is admirable; but it lacked facts in reference to the State of Oregon, and so I wrote this little book, "What Is a Trust Company?" It is not intended for general distribution. I do not think it would do any good to send it out broadcast as we would a leaflet or anything like that, but it is meant to answer the ordinary questions which the average man wants to know. For instance, we state exactly that the Trust Company has nothing to do with trusts like the Standard Oil and such. We also state something like this: I say, in regard to just plain, everyday honesty, no glittering array of assets, no high sounding names, will avail unless the public has learned by long years of attention that the Trust Company can be trusted and, like Caesar's wife, not only be above reproach, but the Trust Company must be above suspicion. It is my idea to adopt the same course with this second booklet that we did with the first, to try to induce the individual man on the street to ask for a copy and adopt what the old Romans called the *argumentum ad hominem*. Never mind whether he does not give you business to-day or to-morrow; it will come, if not this year, then next year; it will come eventually. I have tried to make this second little booklet different from the first, with no attempt at fine writing in it, but conversational in tone, a plain talk, a heart to heart talk, and it is astonishing the good that it is doing. It has only been out a couple of months, and we are getting returns already.

Therefore I suggest that this plan can be adopted with profit by Trust Companies generally; if they would have their booklet describing their departments of work, and then use newspaper advertising to induce people to apply for those booklets, I think the money expended would show better results than money expended in almost any way for advertising. The public can be reached in this way better than in any other way I know of. That is my experience, lasting over eighteen years in this work. I thank you, gentlemen. (Applause.)

Mr. F. G. Hobson, Norristown, Pennsylvania: Mr. President, the question we are discussing is educational work to demonstrate the superiority of the Trust Company in fiduciary capacities. That is, especially in relation to trusts, as executor, guardian, administrator, etc. I take it that the best way to educate the public in this way is to compel the public themselves to be your bankers.

One or two homely illustrations may explain what I mean. In several accounts that our Trust Company has recently filed in our Orphans' Court as guardian of minor children we have demonstrated that not only did the wards receive interest on their money, but every time there was sufficient amount of interest we reinvested that as a new principal. So that the Orphans' Court of our county and our Judge in the adjudication of those accounts has commended the work of our company. (Applause.) Now, we see that those opinions are printed throughout the county, and the judge of our Orphans' Court is our best advertiser, because he has said that our Trust Company is doing the very best for the ward under our care.

No one ever heard of an account being filed by an individual in which compound interest was allowed to the ward. The Trust Companies do that work and we want to let the public know it.

Another illustration: A short time ago our company was appointed the executor of a man who was conducting a mercantile business for a long time in our city, a man who was extremely honest but very careless in collecting his bills, and there came into the hands of the executors many bills and notes, many of which were outlawed, according to the statute. One of the wealthy men of our town was appointed as the appraiser of that estate, and, after going over the list of claims and notes very carefully, he presented to the court the list of the claims that were supposed to be good, certain sums. He came in and said to me, "I have often heard of Trust Companies, and I want to see whether they can settle an estate as well as an individual; I have put down here what ought to be collected, what I consider good, and I want to see whether you will fall below that. If you do I do not think you are doing your full duty, and I will believe you cannot do as well as an individual. If you collect more than that I will have great faith in Trust Companies."

I am very anxious when that good man cashes in his checks that he will also make the Norristown Trust Company his executor, and he has put us on our mettle to do our best. We have already passed the mark as to what he considered were good claims. Therefore I say the best way we can give publicity to the fact that fiduciary relations can be better conducted by Trust Companies than individuals is to prove in individual cases that the Trust Company can do better than the individual, that it does better than the individual, that it is a saving in money over the individual trusteeship, and that in all ways we can do better work and more cheaply and to the better advantage of the estate, and then let us see that we are not too modest to let the public know of such individual cases. (Applause.)

TRUST COMPANY LOANS AND INVESTMENTS.

The President (after a pause): As there seems to be no one who desires to speak on this topic, the next topic is

INSTITUTIONS AND PRACTICES WITHIN THE TRUST COMPANIES IN THE INTERESTS OF EMPLOYEES.

I will ask Mr. Tillotson, of the Cleveland Trust Company, of Ohio, that he tell us something of interest on the subject.

Mr. Tillotson: Our company has not done very much

yet along this line. We have on our pay-roll 139 employees, men and women; we have made no provisions yet for pensions. We have had several on back pay, men who were retired for illness (in one case for old age), and after death we have continued half pay to their widows.

We have a little monthly publication, a paper that is edited by 139 editors; in other words, every one of the employees is supposed to be one of the editors. The publication would be of no interest to any one except the employees of the Union Trust Company, because, as you would readily understand, it contains principally personal allusions. But the real editors, our advertising manager and our assistant secretary, are endeavoring to elevate the tone of the publication a little, and have asked various men among our directors, and outsiders, to write serious articles in order that the paper may be of actual benefit to the employees. We have had one very interesting article from one of the Directors who spent the summer in Europe, who gave us an article on the Branch Bank system, as he had seen it over there.

We have dinners once a month, where the President and other officers meet with them, and we discuss informally the progress of the company and put the different departments on a competitive basis. We also offer prizes based on increase of business, percentage of increase of business. This year our prizes will aggregate about \$3,500, and it is quite possible for some of the employees to win about \$500 in prizes.

There are other companies represented here that have done so much more for their employees that I feel somewhat embarrassed to be called on for this discussion. But we have found by experience that this prize money and all we do for our employees is money well expended. It creates a loyalty and enthusiasm, and to emphasize this I will tell you that for three periods of six months past one of the prize winners has been a porter in our employ, earning \$60 a month, and has won prizes for bringing in new business. Of course his acquaintances are among workmen, but in his enthusiasm he has been able to win one of the prizes for three periods of six months each. We have had another fellow, an employee who gets higher wages, who has confined his work almost exclusively among the Germans (he speaks German), and the interest, the ratio of profit figured out at one and a quarter per cent., of the accounts that man has brought in in the last two years has more than paid his salary and the prize money.

So you see it is actually money well invested, better than a great many forms of advertising, and, better than all, it gives them an opportunity to participate in the profits, if you please, and to show them that their efforts are appreciated; it has also called to the attention of the Board of Directors men who have merit in them, men who ought to be promoted, and who may be officers some day. And it looks to me that they are going to make, a good many of them, better officers than some we have now.

I think all of you can be of great help to your companies if you adopt some plan that will make your employees feel that they are just as much a part of the company as the officers themselves. You will be surprised to find how some of the most lowly employees, so to speak, can bring you a great deal of business if they are properly encouraged. (Applause.)

Mr. Edmund D. Fisher, Flatbush Trust Company, of Brooklyn: Mr. President, there is a very simple device which I found to be of great value, which I want to refer to under the head of "Practices Within the Trust Companies in the Interests of Employees." We have a small company, but it is growing rapidly, and there have been recently quite a number of young clerks put on, with the result that I found a short time ago a greater number of errors than was desirable, and I instituted a little schedule, which I put in charge of what I called the officer of the day (the company being small, a chief clerk was hardly practical, but the officer of the day, one of our five most experienced men, followed the next day by the second, and so on to the fifth, making one man, practically, a week, responsible, and not burdening him too much), and this man would take this

schedule. I have jotted it down in memorandum form, because I thought it might be of benefit in the managing department of small banks or Trust Companies. For instance we open at eight o'clock. We do not want a time arrangement exactly, as the manufacturing establishment has, as the clerks would probably resent it. So the first item, clerks arriving after 8 o'clock a. m.; clerks absent, and the reason; the reading of the time of striking, and, of course, the signature of the officer reading the time. Time that the exchanges were received. The number of differences or errors, and the clerks making the same. And, by the way, a prize is offered to be given the first of January to the clerk that made the fewest errors, and the clerk that made the greatest progress in errors; in other words, the clerk that now makes the most errors will probably win that prize the next time. Then the time of striking, the time of the operation and the differences, if any.

In the bookkeeping department, the schedule of the number of ledgers and the difference, if any; the number of passbooks received during the day, the number of passbooks balanced, the number of passbooks held over one day. Our theory is that a passbook should not remain longer than the following day after it is received. When I started this, sixty passbooks were on hand. My schedule yesterday showed one passbook held for some reason over one day. The final reading and the time of the clerks, and the signature of the clerk or officer reading it. The comparison of the reading in the morning and the reading in the afternoon by the officer of the day, thus catching any error, making three men really involved in the reading of the time clerk. The vault closed, and the time, and the reply from Police Headquarters. The officer of the day signs it with his signature and it is presented to me the next morning. So I have an automatic and very simple way of taking the entire work of the institution.

Of course, it is applicable to ourselves. A similar schedule, amplified or reduced, as might be necessary, would be, I think, very useful to all, except where there is a chief clerk actually in charge of this every day in the week—although I really believe that an officer of the day, a man changing from day to day, having only one day a week of it, is a better man than to have a chief clerk in charge of it all the time. What is the result of this? The day before this was instituted there were fourteen errors in exchanges and in checks and credits, aggregating probably a thousand items altogether. The day following they struck the first time; of course each clerk took care; he went over his additions before submitting it for the final proof. During the last six weeks I do not think it has exceeded three errors, and as a rule the tellers and the credit men prove the first time; but of course the bookkeeping department, with a thousand items a day, involves a good deal of work, and, as I say, frequently young boys are on the blotters there, and there is a big chance for error.

Further than that, we get the clerks to come once a month to the financial library that is primarily supposed to be for the benefit of the outsiders, for our customers to come and look over financial literature, but really the chief benefit derived is by the clerks. We have the leading banking magazines there, and we recommend to them special articles that we think will be of interest and value to them. They come once a month, as I say, and talk over these various matters, with the result that it tends to a greater efficiency of our force.

There is another plan I have in mind for our next meeting, which was suggested by a little schedule, I think in the September number of "Success." It suggested a card on which was to be written what you would call a man's personality, taking a man's character and analyzing it. I propose to use that in my next lecture—personal neatness, pleasantness, if you will, many things that will stimulate the clerk to improve his efficiency and his personality. This simple schedule, I think you will recognize, will be of some value if put into effect.

The day following this we saved one hour and a half in the time of proving, and consequently in the time of the clerk in his active service in the bank. (Applause.)

The President: The next and last item on our program is suggestions of members as to the work of the Section.

The President (after a pause): As nobody seems to be prepared or ready to give suggestions along this line, I would like to speak of an experience, which is not new, but which after all seems to be the important thing that Trust Companies have to deal with. As we have seen from Mr. Perine's figures, the assets of the Trust Companies of the United States are almost \$4,000,000,000—four thousand million dollars. Now, that is easy to say, but it is a vast sum of money, and the growth of the Trust Companies has been such that while this Section, which began a few years ago, as I remember, in a very small room, and with very few persons present, has grown to its present proportions, if the growth of Trust Companies continues in the future at anything like the ratio it has been in the past it will not be many years before the aggregate figures will outstrip those of the National Banks. The National Banks are, as we all know, controlled by the Federal Government and have a uniform system and a rigid and exacting system of examinations. Trust Companies in some of the States—and I am happy to say in the State in which I live—have equally as good a system. We are there accountable to and examined by the officials of the Auditor of Public Accounts, and I believe our examinations are as thorough and as rigid and the exactions as great as those of the Government. We are also required by the rules of our clearing house to carry a very adequate reserve. But there are many States, as I understand it, where Trust Companies have no accountability, or practically no accountability, to the public in the way of examinations and reports. Now, we are all interested in the reputation and good character and the high standing of our fraternity, and a mishap to one means perhaps disaster to many, and I think that you gentlemen here, gathered from the different parts of the country, can do your business and the business of Trust Companies no greater service than to work with your legislature for the enactment of such laws as will safeguard your companies to the greatest possible degree. I want to impress that upon you, and I think a model law has been suggested at some previous meeting of this Association and Section. (Applause.)

Mr. Wade: We have within our company an organization which I regard as being most valuable to promote the institution and to protect the integrity of every man or woman employed in that organization, and at the same time benefit the employees. It is a corporation organized under the laws of the State of Missouri, known as the Employees' Association of the Mercantile Trust Company. The employees are invited to join after they have been with the company three months. The invitation is extended to them as a privilege. There is nothing whatever compulsory about it, and they are told that it matters not the slightest whether they go into that organization or not. They are asked to contribute if they join, and they must contribute if they join, five per cent. of their salary, no more and no less, no matter what the salary may be. The elective officers, the executive officers, cannot be members of the organization, and if an employee be elevated from what we call employee to executive officer he must sell his stock in that organization and cease to benefit by its operation. This organization has its Board of Directors, consisting mainly of employees. They have absolute control over their own funds, except they cannot buy anything in the way of investment without the written approval of the company. That is put there for the purpose of eliminating speculation, and the officer is prohibited from participating in the employees' association because his purpose is supposed to encourage the organization in every way possible. Whenever we are fortunate in making a substantial sum of money at the end of three or four or five or six months, as the case may be, the executive officer of our establishment will recommend a donation to the Employees' Association. If we receive an underwriting of two or three million bonds below the market, for instance, as in the case of Japanese bonds, we will set aside \$15,000 or \$20,000 of that underwriting for the Employees' Association.

tion. They invest their money in it. The result has been that out of the 175 employees we have in our establishment there is not one man or woman who is not a member of the Association, and I am happy to say that they have made 30 per cent. per annum for five years on their investments. When they get a surplus for investment they invest it in the stock of the corporation. It makes every man and woman in the employ of that company a check upon his fellow employees, a check upon his officer, because if I, as an officer of that organization, should do something irregular I not only strike the pocketbook of the depositor and stockholder, but I strike the pocketbook of that individual employee.

Again, along the line that our President has so aptly suggested, we go probably to extremes in the matter of examinations of our Company. We claim the strength of our organization is the confidence of our stockholders, and the confidence of our directors and depositors. Therefore we undergo a State examination twice a year. It is compulsory. We undergo an expert accountant examination once a year by certified public accountants. And then we have, in addition to all of that, a flying auditor, a man who has an order that he can go into any cage or any department in any hour of the day or night, take possession and make examination and report the result to the executive of the establishment. Those are the things that will make a Trust Company. The Trust Companies are bound to supersede the national banking system of the United States of America if the gentleman belonging to this Section will look after his Trust Company as he would look after his private fortune or his family. (Applause.)

The President: Gentlemen, the entire program has been finished, and unless some member on the floor has some topic or anything pertaining to the business of the Section to suggest, we will proceed to the nomination and election of officers. I would be very glad if any gentlemen present have anything to present to the meeting to hear them.

Mr. Tillotson: May I say another word? It occurs to me that one of the weaknesses of this Section is the unwillingness of the members to speak. You can all see, of course, in about half a minute, that I am not accustomed to talking in public, but there are men all around me that could discuss these subjects with the greatest advantage to all of us. One man here I see is president of two national banks and president of a Trust Company. Is there anybody better able to discuss the questions before us? There are gentlemen here from Cincinnati and Chicago who could discuss the value of a bond department to a Trust Company. I could not say anything, because we haven't got a bond department in our company, but there are many here who could say much of interest and value to us all.

The educational work could have been discussed by all of you. There are attorneys here who have given the matter great consideration, not only from a legal standpoint, but from a Trust Company standpoint.

The trouble is we all get in here and most of us keep quiet and don't say anything. We don't get acquainted. We all know Mr. Wade and we know Mr. Williams and Mr. Gibson and the members of the Executive Council, and we are very glad to have them and hope to have them again, and will vote for them, but there are a lot more members here who are brim full of wisdom and enthusiasm, and we would all be benefited and delighted if they would get up and say something. There is a man I see now from Cleveland, a man right in front of me, a man who knows more about the Trust Company business in a minute than I do in a year, and he has not said a thing. (Applause.)

Mr. Gibson, of Denver: Mr. President, I am very glad Mr. Tillotson has made the remark that he has made. There are only two of us present at this meeting to-day, I think, who were present at the organization of the Section—Mr. Holliday and myself. This Section was organized nine years ago. We did a great deal in the old days, we read papers and so on, and we think it is time now for some of us to take back seats and hear from some of the new members.

If I may be allowed to make this suggestion, it seems to me it would be well to have our programs given out some

considerable time before the meetings. I dare say that few of us would desire to get up and discuss any of these important subjects without having given some thought to them beforehand. Although I am a member of the Executive Committee, I did not happen to receive my copy of the program until en route to the Convention, in Chicago, and naturally I am not prepared to give any light on any of these questions. I merely offer that as a suggestion, so some of us will be better prepared at the next meeting to talk about these subjects that are suggested here. (Applause.)

Mr. Ralph W. Cutler, president of the Hartford Trust Company, Hartford, Conn.: Mr. President, I have been extremely interested in what Mr. Wade has said in regard to the interior workings of his Trust Company. I am not chock full of wisdom and have not very much to say, but I do want to say just this. That it seems to me we all want to engage the attention of our employees in the work in which they are engaged, and that there are two ways in which to do it. The first is to persuade the young man to become a member of the American Institute of Bank Clerks, which it seems to me is a very valuable organization, and in our case every single employee of the Hartford Trust Company is a member of that institution. And the other thing is to give the young man a capital interest in the stock of the concern itself. We encourage our young men to buy one or two or five shares of the stock of our corporation, and it works wonders, I assure you. We do not carry out so elaborate a system as Mr. Wade has explained, but the executive officers of the institution can sleep nights more securely because those young men are our stockholders. (Applause.)

NOMINATIONS AND ELECTIONS.

Upon motion a nominating committee of five was appointed by the President, as follows:

John Skelton Williams, of Richmond, Virginia; E. G. Tillotson, Cleveland, Ohio; L. E. Anderson, of St. Louis; A. G. Hemphill, of New York; F. B. Gibson, of Denver.

The President: I would suggest that while this committee is out the members, the delegates from the various States which are eligible to have a Vice-President, should have a little caucus. We will therefore take a little informal recess for a few moments, in order to enable them to make nominations for Vice-Presidents.

In order that you may know what States are eligible, I will state the by-laws provide that every State which has ten Trust Companies, members of this Section, is eligible to have a Vice-President. They are as follows: Alabama, Arkansas, California, Connecticut, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Tennessee, Vermont, Virginia and West Virginia.

I believe the custom is in the case of the President and Vice-President, for nominations to be made from the floor. I would like to have some gentleman who was present last year enlighten me if I am not correct.

A Voice: That is correct.

(Thereupon an informal recess was taken for five minutes.)

The Nominating Committee made their report as follows:

The committee has unanimously agreed upon the following names, which we desire to present to your consideration for election to office for the ensuing year:

For President of the Section, Mr. Clark Williams, of New York City. (Applause.)

For Vice-President, Mr. Festus J. Wade, president of the Mercantile Trust Company, of St. Louis. (Applause.)

For the five members of the Executive Committee, the following names: W. L. McDonald, vice-president of the Commonwealth Trust Company, of St. Louis; H. P. McIntosh, of the Guardian Savings and Trust Company, Cleveland, Ohio; Joseph E. Otis, president of the Western Trust and Savings Bank, Chicago; Mr. Lynn H. Dinkins, of the Interstate Trust and Banking Company, New Orleans, and Mr. J. F. Thompson, vice-president of the Bankers' Trust Company of New York City.

Upon motion the Secretary was directed to cast the ballot of the Section for the officers named.

The Secretary accordingly cast the ballot of the Section for the gentlemen named.

The President: I will appoint Mr. Jay, of Boston, and Mr. Gibson as a committee to find Mr. Williams and bring him to the rostrum. I will appoint as a committee Mr. Hart and Mr. Cohen to find Mr. Wade and bring him forward.

The President: Nominations for the office of Vice-President are now in order.

The following gentlemen were nominated for Vice-Presidents from their several States:

Alabama—A. C. Danner, president of the Central Trust Company, of Mobile, Alabama.

California—J. C. Drake, president of the Los Angeles Trust Company.

Connecticut—Ralph W. Cutler, president of the Hartford Trust Company of Connecticut.

Illinois—H. O. Edmonds, assistant secretary of the Northern Trust Company, of Chicago.

Indiana—John H. Holliday, president of the Union Trust Company, of Indianapolis.

Massachusetts—N. W. Jordan, president of the American Loan and Trust Company.

New Jersey—Alexander C. Wood, president of the Camden Safe Deposit and Trust Company, of Camden, New Jersey.

New York—Gates D. Fahnestock, vice-president of the Franklin Trust Company, of Brooklyn.

North Carolina—George Stephens, president of the Southern States Trust Company, of Charlotte, North Carolina.

Ohio—E. G. Tillotson, vice-president and manager of the Cleveland Trust Company, of Cleveland, Ohio.

Pennsylvania—David McKinney Lloyd, president of the Safe Deposit and Trust Company, of Pittsburgh.

Vermont—H. L. Ward, treasurer of the Burlington Trust Company, Burlington, Vermont.

West Virginia—F. M. Staunton, vice-president of the Kanawha Banking and Trust Company, of Charleston, West Virginia.

On motion, the Secretary was directed to cast the ballot of the Association for the Vice-Presidents so nominated.

The Secretary cast the ballot accordingly, and the gentlemen named were announced elected.

The President: I want to thank this Section of the American Bankers' Association for having honored me by election to the office of President. I was not present at the meeting in New York last year in which I was elected. I am informed that this was the largest meeting that the Section has ever held. This, I think, is the next largest. As I have said very early in the meeting, I think the importance of the Trust Company men of this country getting together, becoming a homogeneous body and working under uniform laws and uniform customs and practices is most important, and I predict that the day is not far distant when the Trust Companies of this country will, many of them, if not all, be under the supervision of the Federal Government. I think it is as inevitable as that the sun rises and sets. And before that time we can do much for

our cause by coming under uniform laws and getting our house in order. I thank you most cordially, gentlemen, and on my own behalf I want to thank the bankers and citizens of Washington for the hospitality which they have so generously extended to us and which we are enjoying to the full. (Applause.)

Mr. Williams, it is with peculiar pleasure that I transfer from my breast to yours this badge, as President of the Trust Company Section. You, sir, have done more than any other member of this Association, more effective work than any other member I know, and you richly deserve this honor, and I know you will fill the place with credit to yourself and gratification to all. (Applause.)

Mr. Williams (upon taking the gavel as President): There is nothing which I can say which will adequately express my deep appreciation of the honor you confer upon me. I feel that only an expression of this kind is necessary at the present time. You must look to me for such good works as I am able to contribute during the coming year for the benefit of the Trust Company Section as your presiding officer. Before we adjourn, however, I would suggest a motion be formally made by the floor telling of the sentiments which have been so well expressed by Mr. Potter, thanking the generous Trust Company officials of the City of Washington for the entertainment they have provided for us.

Mr. Fahnestock: Mr. President, I take great pleasure in moving that the thanks of this Section be extended to the Trust Company officials of Washington, who have so handsomely and generously entertained us while here.

The motion was numerously seconded, and the question being taken, was unanimously agreed to.

The President: May I ask the Vice-President just elected to come to the platform.

Mr. Wade came forward.

The President: It gives to me the greatest pleasure to present to you the emblem which represents the confidence which this Section has in your ability to carry on its affairs. I take great pleasure in pinning on you the emblem of First Vice-President of the Trust Company Section. (Applause.)

Mr. Wade: Mr. President and gentlemen, this is indeed a delightful honor, particularly because you have a President who will do all the work, and I expect to draw all the honors and the salary for the balance of the year. I thank you for this evidence of good will and confidence, and I will do all I can in my power to aid the Trust Company Section and the Trust Company business in the United States of America. (Applause.)

The President: Before adjourning, I would state that the Executive Committee has the power to fill vacancies in the offices of Vice-President from States entitled to them where they have not been filled by nomination from the floor.

Thereupon, at 1:25 p. m., the Section adjourned.

ORGANIZED IN 1878.

The Security Bank of Minnesota MINNEAPOLIS.

Capital,	-	-	-	\$ 1,000,000
Surplus,	-	-	-	600,000
Deposits,	-	-	-	10,400,000

Increase in Deposits During Past Year, - \$1,500,000

NEW BUSINESS DESIRED.

SAVINGS BANK SECTION

AMERICAN BANKERS' ASSOCIATION

Fourth Annual Meeting, Held in Washington, D.C., October 10, 1905

INDEX TO SAVINGS BANK PROCEEDINGS.

Proposed Bank Legislation in Ohio	Pages 142 to 144	Address by Chairman	Page 148
Accounts in Two Names	Pages 145 to 147	Report of Executive Committee	Page 152
Detailed Proceedings	Pages 148 to 162	Report of Secretary	Page 152
Address of Welcome	Page 148	Remarks of W. B. Ridgely	Page 150

Proposed Bank Legislation in Ohio.

By N. HENCHMAN DAVIS, President Central Trust & Safe Deposit Company, Cincinnati.

Mr. Chairman and Gentlemen:

The general condition of the laws of Ohio in relation to financial institutions, which has led to the present movement in favor of an entire revision and codification of the laws relating to all classes of banks, and to the work of the committees of the Ohio Bankers' Association, the Ohio State Board of Commerce and other leading conservative representatives of the various banking interests of the State, including Commercial Banks, both private and corporate; Savings Banks, Safe Deposit Companies, Trust Companies, etc., can be very briefly stated.

You will not be interested in the details of the present situation and therefore it will suffice to state that the laws of Ohio relating to these institutions are in a decidedly unsatisfactory and rather uncertain condition, which has arisen from the fact that no uniform system of laws for the creation, limitation, regulation and government of these institutions has ever, except within the past two or three years, been carefully considered or formulated. The many statutes governing these financial institutions have been enacted from time to time through a period of many years as occasion and special needs have arisen or the exigencies of business or the desires of groups of individuals have made additional powers or changes in the laws seem desirable. In fact, various laws, sometimes inconsistent and usually lacking in completeness, are now scattered through the volumes of the Revised Statutes of Ohio, often in the appendix, and these laws have never been brought together and separately arranged and indexed until the publication this month of the pamphlet entitled "The Laws Relating to Banks, Banking, Savings and Loan Associations, Savings Banks and Safe Deposit Trust Companies, in Force July 1, 1905," which has just been arranged and compiled under the direction of the Ohio State Board of Commerce and the Ohio Bankers' Association, by Drausin Wulsin, Esq., of Cincinnati, counsel to the committee.

The confusion mentioned above has been intensified by some recent decisions of the Supreme Court of Ohio holding that some of the laws heretofore enacted are invalid as being "special legislation" that is confined to cities and towns of certain grades and classes and not general in application.

The present laws do not provide for any State examination for any of these institutions nor for any practical regulation by the State.

The bill which has just been prepared under the

direction of the subcommittee of the Joint Committees of the Ohio Bankers' Association and the Ohio State Board of Commerce is entitled "A Bill to Regulate Commercial Banks, Savings Banks, Savings Societies, Societies for Savings, Savings Loan Associations, Safe Deposit Companies, Trust Companies and Savings and Trust Companies," practically all financial institutions in the State receiving money on deposit except Building Associations.

You will be interested only in the salient features of this bill and the changes in existing laws and not in details regarding the steps of organization, usual powers, etc.

The bill provides for a State Superintendent of Banks, to be appointed by the Governor, who is charged with the execution of the law in relation to all those institutions and is provided with suitable assistants. It is provided that these institutions shall not make less than five reports of their condition under oath each year to the Superintendent, at such times as the Superintendent shall require, which reports shall also be published in a newspaper, and that the Superintendent, his assistant or an examiner appointed for that purpose shall thoroughly examine at least once each year every such institution now doing business in the State or that may hereafter be organized under this law. The Superintendent and his assistant are put under bond and are bound by oath under severe penalties to keep secret all facts and information obtained in the course of such examination, except in so far as the public duty of such officers requires report upon the same or official action taken in regard thereto. In addition to the examination by the Superintendent of Banks it is provided that a thorough examination shall be made of each institution each year by a committee of three of its directors or stockholders, who shall be appointed annually by the Board of Directors, and shall report the result of their examination to the board. The provision requiring five reports each year to the Superintendent of Banks will have the effect of keeping these institutions well in line under the law, and it is also expected that the Superintendent will call for these reports at the same time reports are called for from the National Banks. If this is done the actual condition of finances in the State will be more accurately shown.

Although members of the committee having in charge the drafting of this new law were in favor of somewhat

more radical and conservative clause—for example, in relation to the minimum limitation of capital of certain institutions, the powers and combinations of some of the classes of banks created, the restriction of the use of the words "Bank," "Bankers," "Savings Banks," "Trust Company," etc.—than now appear in the draft of the bill, it was thought advisable to allow rather liberal provisions because of the many small banks, Trust Companies and Savings Banks already organized throughout the State and the necessary limitations to the advantageous use of their funds caused by their location in small towns; also because of the number of excellent and long established private banks.

The draft of the bill provides that "every corporation or association" receiving money on deposit shall be subject to the examination and regulation provided for in the bill, but does not otherwise affect existing institutions. Firms and individuals are not specifically mentioned. It provides, however, that all existing institutions may under certain simple proceedings come under the operation and obtain the advantages offered by the new law. And it is believed that the confusion existing in the old laws and the many advantages offered by the proposed new laws, including the higher standing credit and stability, will induce every banking institution, private and corporate, to voluntarily come under its provisions as soon as some prejudices are overcome and the advantages are thoroughly understood and appreciated. It is also believed that the measure will be decidedly "popular" in the community at large, not only because of the confusion that has heretofore existed, but also because of the recent serious troubles and failures of banks in various parts of the State brought about through laxity of methods, and especially because of the entire absence of any State examination or regulation. The proposed new law requires all companies (banks, etc.) incorporated thereunder to use the word "Incorporated" on all letter-heads, drafts, certificates of deposits and passbooks.

The proposed new law permits the organization of Commercial Banks having a capital of not less than \$25,000, of Savings Banks having a capital of not less than \$50,000, of Safe Deposit Companies having a capital of not less than \$25,000 and of Trust Companies having a capital of not less than \$100,000. It also permits under certain conditions the combination of any or all of these institutions, provided the capital of a combined Commercial Bank and Safe Deposit Company shall not be less than \$25,000, of a combined Commercial Bank and Savings Bank not less than \$50,000, of a combined Savings Bank, Commercial Bank and Safe Deposit Company not less than \$50,000; of a combined Trust Company and Safe Deposit Company not less than \$100,000; of a combined Trust Company and Savings Bank not less than \$150,000 and of a combined Trust Company, Savings Bank, Commercial Bank and Safe Deposit Company not less than \$150,000. Trust Companies are also required to deposit \$100,000 with the Treasurer of State.

The bill further provides, however, that in case of any of these combinations the funds and accounts of each Department—that is, Commercial, Savings, Trust, etc.—shall be kept separate and apart from the funds of any other department of the combination.

Provision is also made for the creation of a surplus of not less than 20 per cent. of the capital in all cases.

Before any of these institutions can commence business the entire capital stock of the corporations has to be subscribed and at least 50 per cent. thereof paid in, and the remainder of the capital stock must be paid in in monthly installments of at least 10 per cent each. The approval and authorization of the Superintendent of Banks have also to be obtained.

Loans can be made under certain conditions up to 20 per cent. of the paid in capital and surplus to one individual or company, and loans upon real estate can be made up to 60 per cent. of capital stock, surplus and

deposits, provided a resolution authorizing the same be adopted by a vote of two-thirds of the Board of Directors, such loans not to exceed 60 per cent. of the actual value of such real estate, including improvements, which must be insured. The provisions governing loans are somewhat similar regarding all classes of financial institutions mentioned in the bill, but the necessary brevity of this paper will not permit of entering into these details. Clauses provide at length for the investment of the funds of these various institutions, and Savings Banks and Trust Companies are permitted to make certain loans and investments when the same are authorized by an affirmative vote of not less than two-thirds of the entire Board of Directors. For example, Trust Companies in addition to the investments usually recited are authorized to invest in certain other "stocks and bonds" when the same are authorized by an affirmative vote of not less than two-thirds of the entire Board of Directors of such company, "and the promissory notes of individuals, firms or corporations when secured by a pledge of any of the aforesaid securities"; also to invest in ground rents, provided such investment is authorized by the unanimous vote of the Board of Directors. Savings Banks and Trust Companies are not permitted to invest more than 20 per cent. of the capital and surplus in one security or loan, except in providing a suitable building. Commercial Banks are given more general and extensive powers relating to commercial paper, business and loans, Savings Banks and Trust Companies are given the usual powers, and the funds held by the latter in trust shall not be liable for any general liability of the company, nor shall such funds be mingled with the investments of the capital stock or other moneys or property belonging to the company.

The provision of the National Banking Act prohibiting overcertification of checks is incorporated in the bill.

All these institutions, except Trust Companies, are permitted to make loans to their officers and members of their Board of Directors. Trust Companies are prohibited, both under existing laws and in the proposed new law, from making loans to officers, directors or employees, and it is thought by members of the committee that this prohibition should also extend to Savings Banks.

In addition to the restriction upon loans and investments, referred to in a general way above, each institution is required to have an Executive Committee, to consist of at least three members of its Board of Directors; that that committee shall meet at least once each week and shall pass upon all loans and investments; that minutes shall be kept of the meetings of such Executive Committee, including records of all loans and investments, and be submitted to the Board of Directors for approval at each meeting of the board.

The reserves to be maintained by each of these institutions or by any combination thereof, are as follows: "At least 20 per cent. of their total demand deposits and 15 per cent. of the total of their time deposits. At least 5 per cent. of such demand and time deposits shall be kept on hand in cash in the vaults of such banks; the balance of such reserve, which may not be kept on hand in cash, shall be kept subject to demand in National Banks of the United States, or any banks, Savings Banks, Trust Companies, or other banking institutions in States where such institutions are subject to State supervision and to examination by a Superintendent of Banks or Bank Examiners provided for in such States."

This is a very brief summary of a draft of a very long bill, which has required an amount of detail work and an expenditure of time that cannot be realized by any one who has not actively engaged in a similar task. Almost all details have here been omitted, and it is more than possible that many matters of special interest have not been mentioned regarding which some of you may desire information. A copy of the bill is here and it will be a pleasure to answer any questions.

The committee having the drafting of this bill in

charge fully realize the magnitude and importance of the work undertaken and the imperfections that doubtless exist in the measure they have prepared, but it is the sincere desire of every member of the committee to have the State of Ohio enact laws governing all its financial institutions that will place these institutions and their credit and the financial standing of the State as represented by them upon the very highest plane.

The committee recognize, however, that many prejudices have to be overcome, and though agreed that in some respects the bill could be improved from a conservative point of view, believe that the enactment of the bill into law would be a very long step in the right direction, an improvement of almost incalculable value upon the existing conditions, and will, by accustoming the financial institutions of the State to supervision, examination and regulation, lead to further improvement in the law, while a more stringent measure might encounter serious opposition.

The draft of the bill as now prepared has been ap-

proved unanimously by the subcommittee of the Ohio Bankers' Association and the State Board of Commerce and will be presented for approval at the meeting of the Ohio Bankers' Association to be held on September 27. When it has received the approval of the Ohio Bankers' Association copies of the bill will be forwarded to every member of the Ohio State Board of Commerce, which is thoroughly representative of the business interests of Ohio, having a very large membership extending into every county in the State. So it is expected that when the final draft of the bill is presented to the Legislature for enactment into law it will have received the approval of not only the banking interests but also of practically the entire business community.

NAT'L HENCHMAN DAVIS,

Member of Committee;

President Ohio State Board of Commerce,

President Central Trust & Safe Deposit Company,
Cincinnati.

The Mercantile National Bank

of the City of New York

CAPITAL	SURPLUS
\$3,000,000	\$3,000,000

FREDERICK B. SCHENCK, President

MILES M. O'BRIEN, Vice-President WILLIAM H. TAYLOR, Vice-President

JAMES V. LOTT, Cashier

EMIL KLEIN, Asst. Cashier

ALFRED W. DAY, Asst. Cashier

Accounts in Two Names

Report by the Committee Appointed for the Purpose.

Report of committee appointed in pursuance of the following resolution adopted at the Convention of the Savings Bank Section of the American Bankers' Association in New York, September 13, 1904:

Resolved, That the Chairman appoint a committee of three to consider the question of a form of uniform law regulating the accounts of depositors opened in two names, and report at the next meeting.

The committee will preface their report with the following communication from Mr. Thomas B. Paton, honorary counsel to the Section, received in reply to a request that, for their information, he should draw up a tentative form of statute in regard to two-name accounts:

New York, April 6, 1905.

Mr. WILLIAM HANHART, Secretary Committee on "Two-name" Accounts,
Savings Bank Section,
American Bankers' Association,
New York, N. Y.

MY DEAR SIR:

In pursuance of your request, following the action of the Convention of the Savings Bank Section last September, that I draw up a tentative form of statute to apply to the joint and trust accounts and which could be adopted in all the States of the Union, for submission to the Committee on "Two-name" Accounts, would say:

I have given the subject due consideration and have prepared two forms of statutes, which I send you herewith.

The object of the proposed act conferring upon a depositor the power to nominate another to whom the balance, or any portion thereof, due by the bank at the time of his death, shall belong and be payable, is to enable a depositor, while retaining full ownership and control during his life, to prearrange a disposition of the same when he dies. It has the same effect as if he made a will bequeathing the amount to the nominee or nominees, and obviates the preliminary trouble and expense of will making and the subsequent probate proceedings. In the case of a multitude of small depositors their savings bank accounts are substantially their all, and by legalizing this method of testamentary disposition it confers a real benefit upon a numerous body of depositors who otherwise would not take the precaution of making a will and who often, by attempting to make a testamentary disposition by some form of trust or joint account, have their intention frustrated by some legal ruling that what was plainly their own property, owned and controlled by them during their life, cannot be disposed of at their death in such manner.

Concerning the other act as to joint accounts, or accounts which are put in two names and often made payable to either or the survivor, it does not seem advisable that legislation should attempt to regulate titles during lifetime of the parties by providing that ownership vests in the two parties jointly. Sometimes when these accounts are created both parties have property rights therein; more often one owns the account and puts it in a joint form that the other, generally a relative in whom he has confidence, may have the power also to withdraw during his lifetime should occasion arise, and shall take by survivorship in case he dies first. In such cases the original owner practically retains control. Legislation which would give the other party property rights in the account, when none was intended during the lifetime of the original owner, would in many cases frustrate the design of such accounts and be unjust. The limit to which legislation may appropriately go, it would seem, would be to provide for or regulate payment by the bank of such accounts during the lifetime of the parties and where they are made payable to the survivor protect the bank in paying the latter.

The form of act submitted regulates payments of these accounts during lifetime of the parties and further, where there is a "survivor" provision, provides that upon the death of one the money shall be payable to the survivor. This will protect the bank in making payment to a survivor as against representatives of a decedent who may claim he never parted with ownership during life. It is doubtful whether legislation should go further and ordain that the term "survivor" should carry the property to the latter. Doubtless it is the intention in the large majority of savings accounts payable to A or B or the survivor that, upon the death of one, the survivor shall become sole owner; but there are cases where such is not the intent. The act as submitted is tentative and designed to bring up this question for full consideration. If thought best that

the term "survivor" should at death have property-conveying force, the act could be changed to read "Upon the death of one the moneys due upon such account shall belong and be payable to the survivor."

The proposed legislation has been drafted in two separate acts, regulating respectively accounts having nominees and joint accounts. If thought desirable both might be incorporated in a single act. They are submitted for consideration of the committee.

Very truly yours,

(Signed)

THOMAS B. PATON.

An act to confer upon depositors in Savings Banks power to nominate the person or persons to whom any sum due by the bank at the death of the depositor shall belong and be payable.

Be it enacted, etc.:

1. Any depositor in a Savings Bank may by writing, executed as provided in this act, delivered at or sent to the office of the bank, nominate a person or persons to whom any moneys due by the bank to such depositor at his or her decease or any portion thereof, shall belong and be payable; and may from time to time revoke or vary such nomination by writing similarly executed and delivered.

2. Such nomination shall be subscribed by the depositor in the presence of a witness, who must be some person other than the nominee, but may be an officer or employe of the bank; and such witness must also sign in that capacity and add his or her address to the signature.

3. It shall be the duty of the bank to which a nomination, as above, is delivered, to preserve the same and make such entries on its books or records as are requisite to clearly evidence the fact of such nomination. And upon delivery to it of a revocation of such nomination, or of a new nomination in change or variance of a former nomination, the bank shall preserve the same and make entries or records accordingly.

4. Any such nomination, or any revocation thereof, shall take effect from the time of its delivery to the bank. The effect of an unrevoked nomination shall be that upon the death of the depositor making it the moneys due by the bank to such depositor, or such amount thereof as is specified in the nomination, or where the entire amount due by the bank is less than the amount stated in the nomination, then such entire amount shall immediately be and become the property of the nominee or nominees therein specified, and payable by the bank to such nominee or nominees upon satisfactory proof of death and evidence of identification. But money acquired by nomination shall be subject, in the hands of the nominee, to the lawful claims of creditors of the depositor, and to inheritance tax, where the same is imposed by the law of the State.

5. A nomination is revoked by the following acts or events:

(1) Delivery of revocations as above provided;

(2) Delivery of a new nomination in change or variance of a former nomination;

(3) By the death of the nominee in the lifetime of the depositor, save when the nominee is the child or other issue of the depositor, and dies leaving issue, and any such issue is living at the death of the depositor. In such case the nomination takes effect as if the death of the nominee had taken place immediately after that of the depositor, unless a contrary intention appears by the nomination.

The making of a will by, or subsequent marriage of, a depositor does not revoke a nomination; nor is a nomination revocable in any other manner than as above prescribed.

6. The following are appropriate forms of nomination and of revocation, but these forms are not exclusive of any other forms which substantially comply with the provisions of this act:

FORM OF NOMINATION.

(Address of bank.)

I hereby nominate of to receive at my decease the whole (or any designated amount) of the amount then due me by (name of bank) upon deposit account No. (or any other sufficient description of the account or accounts).

Dated

(Signature of depositor.)

In presence of

(Signature and address of witness.)

FORM OF REVOCATION OF NOMINATION.

(Address of bank.)

I hereby revoke the above nomination.

(Dated, signed and witnessed in same manner as above.)

FORM OF REVOCATION ON SEPARATE SHEET.

(Address of bank.)

I hereby revoke nomination executed by me on (insert date and description of nomination) which was delivered to (name of bank) on (Dated, signed and witnessed in same manner as above.)

7. Where a nomination or revocation is executed in any other State or country the witness must be an officer qualified to take the acknowledgment or proof of a deed of real property situated in this State.

8. Wherever a depositor making a nomination cannot write, the witness must sign the following certificate:

"I certify that the foregoing nomination has, before being made by the depositor, been first audibly, clearly and distinctly read over to him (or her) in my presence and hearing, when the depositor appeared perfectly to understand the same and made his (or her) mark thereto in my presence."

(Signature and address of witness.)

This act shall take effect.....

An act concerning the payment of joint accounts in Savings Banks.

Be it enacted:

When an account in a Savings Bank is opened in the names of two persons jointly, or an existing account in a single name is changed to the names of two persons jointly, without in terms being made payable to either, such account shall be paid only upon the joint order of such persons. If to such account is added the words "or the survivor," upon the death of one, the moneys due upon such account shall be payable to the survivor.

When an account is opened in a Savings Bank to the credit of two persons, or to an existing account in a single name is added the name of another person, and the account is, by its terms, made payable to either or the survivor, the bank may, during the life of both persons, pay either, and upon the death of one the moneys due upon such account shall be payable to the survivor.

Joint accounts in Savings Banks are usually opened for the convenience of customers who desire that during the lifetime of two depositors either one may draw the funds on presentation of the pass book, and that at the death of either the balance standing to the credit of the account shall be paid to or be subject to the order of the survivor without the cost and formalities of probating a will, or applying for letters of administration. The effect of these accounts is that the survivor takes, and that in the meantime either of the two parties may withdraw part or the whole of the amount. The real ownership of the money when first deposited, or of any subsequent deposit, is never inquired about or questioned by the bank; the property is held in joint tenancy, the survivor taking.

Some Savings Banks accept these accounts without asking any questions and require no declaration or agreement, it being understood with the depositors that the bank will pay either of them on presentation of the book.

The majority of Savings Banks, however, require the depositors to sign some form of declaration reciting that the account is held for both of them and authorizing the bank to pay either of them or the survivor of them. This declaration, when signed by both depositors on opening the account, is called a simultaneous declaration. It varies considerably in form, but practically all have the above matter embodied in them.

We have carefully considered the proposed statute suggested by Mr. Paton as a means to effect the purpose intended by these accounts.

At first glance it certainly would appear to be very desirable to have such a law provide for a legal form to be compiled with in opening an account in two names or in adding a name to an existing account, and then having that action on the part of the depositor or depositors decisive and not capable of review by the courts, except of course on the legal grounds upon which any legal instrument can be attacked. We must, however, consider this question in all its bearings; it is really twofold.

1. Is such general legislation practicable and is it capable of adoption in all the States?

2. Admitting such legislation to be feasible, would it be really desirable and would it accomplish the desired results?

Answering the first question, this committee entertain strong doubts as to the practicability of obtaining general legislation on the subject that could be passed and enforced in all the States; for any legislation to attempt to regulate such property rights, which of their nature are very diverse and complicated, would, we believe, be hardly possible, and we also fear that in many instances, such legislation would defeat the intent of these accounts as they are now opened; moreover, the judicial decisions in the several States regarding these accounts are so very conflicting that even if a general statute could be devised and adopted it would, after all, in many instances, be re-

viewed by the courts according to the special conditions existing in the different cases, and this would often defeat their purpose.

In addition we would say that the conditions are so different in the several States, both with regard to existing laws and to the character of the institutions, that in our judgment no satisfactory statute of this character would have any prospect of passage; aside from that, a very large expense would be involved for which the return, even if the efforts were successful, would be entirely disproportionate.

We have now to consider whether such legislation would be desirable at all, and we have no hesitation in answering this question in the negative for the following reasons:

It must first be admitted that the actual property rights involved in the joint accounts of Savings Banks are practically far beyond the knowledge of the banks. We take it that a bank, willing as it is to accommodate its depositors by opening joint accounts, must, as a paramount condition, consider its own safety, as well as protect its customers in making payments. If this safety and protection can be secured, not by general legislation, which will at all times be reviewable by the courts and give endless trouble both to the depositors and to the bank, but by the adoption of some standard form or declaration to be signed by the depositors when opening the account or by the original depositor when adding a name to his account, the object will be realized in a greater measure and in more satisfactory way. It appears to us to be possible to devise such forms of declaration as would make the matter plain to the depositors, secure the bank in paying either or the survivor of them, and at the same time not attempt the impossible task of regulating present and ultimate property rights of which the bank really knows nothing and desires to know nothing.

To show how difficult this matter is becoming we would mention that an amended Inheritance or Transfer Tax Law, lately passed by the New York Legislature, compels the banks, under a penalty of \$1000, to give the State Controller ten days' notice of intention to pay or transfer to the legal representatives of the decedent, or to the survivor, any deposits standing in the joint names of a decedent and one or more persons. This dangerous statute disregards the fact that a Savings Bank in most cases has no means of knowing whether one of the parties named in a joint account is dead or not, but, according to the law, the penalty could be enforced just the same.

Under this law, although as a matter of fact in at least 75 per cent. of all cases arising there is no contention that any tax could really be assessed, the bank must notify in each case or suffer the penalty. It is incumbent upon the bank to know, whenever an attempt is made to withdraw a two-name account, whether both the persons named are still living, which it can be readily seen would be an absolute impossibility in any bank having a large number of depositors scattered all over the country. If this law is to be strictly enforced, and its repeal cannot be secured, the ultimate result will be the abandonment of two-name accounts in New York State Savings Banks. These accounts were used in one form or another long before there was any thought of a succession tax and were intended to enable the account to continue and be withdrawn without any formality in the event of the death of one of the persons named in the account, and as incident to this form of account, though not its only intent, the cumbersome and expensive proceedings of administration were avoided.

The committee believe that two-name accounts meet a great need, particularly with depositors of limited means, and should be encouraged whenever they are not made impossible by adverse legislation such as above mentioned.

After due consideration and deliberation this committee reports that they do not consider that general legislation regulating joint accounts in Savings Banks is either

practicable or desirable, and believe that the ends desired can be more easily and effectually accomplished by the adoption of suitable forms for all two-name accounts, and suitable blanks to be used by Savings Banks. Owing to the differences in the practice of Savings Banks in the several States, and also the varying decisions of the courts, the committee believes it unwise at the present time to suggest any uniform form for use by all the Savings Banks.

In conclusion this committee beg to state that they do not consider they have a right to go behind the

strict letter of the resolution in pursuance of which they were appointed, and therefore they have not considered the matter of trust accounts referred to in Mr. Paton's communication, especially as their inclusion would tend greatly to complicate a matter already sufficiently confused.

Respectfully submitted,

BENJ. W. JOHNSON, Chairman;

J. H. JOHNSON,

W. W. CLOUD,

Committee.

THE NATIONAL BANK OF COMMERCE

MINNEAPOLIS, MINN.,

With its Capital and Surplus of \$1,300,000.00
and fully equipped in every department to
give our customers the most acceptable service,

SOLICITS YOUR BUSINESS

in the Northwestern States.

Detailed Report of Proceedings.

Fourth Annual Meeting SAVINGS BANK SECTION, Held at Washington, Oct. 10, 1905

MORNING SESSION.

Tuesday, October 10, 1905.

The Savings Bank Section of the American Bankers' Association met in annual Convention in the Banquet Hall of the Shoreham Hotel, Washington, D. C., Tuesday, October 10, 1905, and was called to order at 10.30 a.m. by the President, Charles E. Sprague, Esq., of New York City.

Reverend J. M. Schick, pastor of Grace Reformed Church, Washington, D. C., offered the following prayer:

Almighty and Everlasting God, by whose blessing all our doings must be sanctified, and unless Thou build the house they labor in vain that build it, we implore Thy presence and Thy benediction with us at this time, so that in all our works, begun, continued and ended in Thee, we may glorify Thy holy name. With a realizing sense of our responsibility to Thee, enable us to enter upon the transactions of this meeting knowing that every right work is Thine and every right cause is of Thine appointing. We praise Thee for that Thou has used us so largely concerning the gathering of these who otherwise would have been unable so to do, in guiding the savings of the weaker and the poorer, turning them to good account, using us thus in Thy service; for every service that helps our fellow men is, when rightly understood, Thy service. Therefore we lift our hearts unto Thee in grateful recognition of the blessings Thou hast bestowed and the mercies Thou hast showed and the favors Thou hast imparted to the institutions which we represent, to the institutions here gathered together in this Association. And we humbly pray Thee further to continue Thy blessing unto each and all, and to this Association collectively, so that with an eye single to Thy glory, in full consciousness of the responsibility resting upon us, we may have continually the Divine presence in all our work.

Shield us from the temptations to selfishness which are so abundant. Deliver us from the evils that at times may be so near, and before which so many have fallen; and make us conquerors over self and selfishness and the world, and enable us, in that right altruistic principle of life which marks the deed of every right man, to use the opportunities Thou art giving us in such a way as to be helpful to those for whom we act and with whom we serve Thee to the end that, strengthened with Thy might, made more prosperous with Thy blessing, we may ourselves, having been blessed, prove a blessing to others as Thou hast blessed us. And unto Thy name shall be given the praise, through Jesus Christ our Lord. Amen.

The President: An opportunity will now be given to you, gentlemen, to hear from Mr. B. F. Saul, Chairman of the local Committee on Arrangements of the Savings Bank Department of the Washington Bankers' Association. (Applause.)

Address of Welcome, by B. F. Saul.

Mr. Saul: On behalf of the Savings Bank Committee of the Washington Bankers' Association I extend to you all a hearty welcome. The Savings Banks of Washington welcome you not only to this city but to their institutions, and hope that you will visit them during your stay here.

I presume those delegates from the larger cities, where the strongest Savings Banks are located, will be surprised to find that the Savings Banks of Washington are small institutions, but most of the large Savings Banks of the country are old institutions, a great many being more than fifty years old, while the oldest Savings Bank in our city was organized in 1891, only fourteen years ago.

Ten years ago the total assets of the Savings Banks of Washington were less than \$250,000. Five years ago they had increased to \$1,000,000, and to-day the total assets of the Savings Banks are more than \$4,000,000. In the past the persons who would ordinarily be Savings Bank depositors have had to place their savings with the Trust Companies and the building associations. From the above figures it can be readily seen that the age of the banks is the principal reason they are not among Washington's larger financial institutions.

But there is another reason, and that is that we have

no Savings Bank Law or supervision in this District, but we hope before another winter passes that Congress will enact a law which will place the Savings Banks of this city under the supervision of the Comptroller of the Currency, as the Trust Companies have always been, and we hope at this meeting to have your co-operation by recommending to Congress such legislation. However, we are proud of our young and growing institutions, and I am sure if you find time to visit them you will be pleased at the results we have attained, but, of course, the most interesting bank in Washington to you will no doubt be our National Treasury.

Washington is not a commercial city, and the points of greatest interest will probably be the public buildings.

The members of this committee desire to place themselves at the disposal of the delegates and will be pleased to render them any possible service during their stay in this city.

And in conclusion I again extend to you a most cordial welcome and hope this meeting may prove the most successful in the history of the Savings Bank Section.

Reply to Address of Welcome and Annual Address, by Charles E. Sprague.

The President: The Savings Bank Section of the American Bankers' Association accepts with cordial appreciation your efforts and your generous hospitality. We already know that you have made the most lavish preparations for our entertainment. We all of us have emerged from the tenth story of the New Willard Hotel staggering under a double weight of pasteboard and of grateful obligations. We are to be your guests by land and by sea, in peace and in war. Our patriotism will be evoked by a visit to Mt. Vernon. We shall, perhaps, have our envy excited by a trip through the United States Treasury and by the sight of the vast amount of funds therein which we cannot have under our control. You have provided for us in every possible way. The well-known hospitality of the sunny South, added to the metropolitan spirit which pervades the National Capital, has caused you to more than outdo yourselves, and we only hope that the prosperity of your institutions, to which you have alluded may continue, and that we in our various small ways, in the remote haunts of men from which we hail, may be able to recompense you at some time by giving you in our own peculiar way the kind of good time which we are able to give you. We thank you. (Applause.)

It now becomes my very pleasant and most honorable duty to open the proceedings of the fourth annual Convention of the Savings Bank Section of the American Bankers' Association. In future times we or our successors will look back to this as one of the early meetings, one of the beginnings of great things. When in future years this organization has fulfilled the promise which its vigorous youth gives forth those who follow after us will look back to this old society with grateful spirits as having inaugurated a movement of great advantage and benefit to the country and to its industrial classes and to the general welfare. On an occasion like this it is customary to make a retrospect and a prospect, to look over the work of the past and to consider what it is best to undertake for the future. In other words, we inquire in the first place, in the classical phraseology which, I believe, is used in this section. "Where are we at?" Secondly, we inquire why are we here; and, thirdly, what we are going to do about it. Where we are at is satisfactorily answered by the large number of attentive and interested listeners who are present. Why we

are here is a little more difficult of comprehension. Why is it thought necessary for those of the American Bankers' Association who are particularly interested in savings to create a separate department? Why have they taken the trouble to start at least 24 hours ahead of the time which otherwise would have been necessary in order to attend this meeting as well as the proceedings of the Association proper? It is not for protection of your valuables against fraud or deceit. That is amply cared for by the parent Association. It is not to consider the future of the currency of the country. It is not to consider the advantages of adopting systems of money orders or discussing State and National supervision of State and National banks. Nearly all these subjects are covered by the American Bankers' Association. Why do we have a Savings Bank Section and why do we need it? As bankers we do not, but I hold that we are something different, something distinct, or at least distinguishable, from bankers; that those who are purely and simply bankers have not honored us with their presence to any great degree. We are something else. Although organized under a great diversity of laws and customs, organized in almost as many different ways as there are States in the Union, and unorganized in some of the States, we all have one common purpose, which is the safe keeping of the economies of the industrial classes of society, of those who, as will always probably be the case, are obliged by the circumstances in which they live to sell their services, whether it be as a university professor or as a day laborer, to some one who can contract for and pay an appropriate stipend. The only safety for those classes is to have some depository which they can absolutely trust, and the only hope for their old age is in present self-denial, which in future will soothe and alleviate the distress of their declining years.

I take it that the purpose of banking proper is the facilitation of business. The business man does not accumulate his money by putting it into any kind of bank and letting it increase. Very likely as his business itself increases his cash account may safely be lessened. He desires to make his real investment in the machinery of the business in which he is engaged. His cash account, which is practically his bank account in these modern times, is simply a facilitation, simply a buffer for the purpose of smoothing over the interval between production and collection, and also the machinery for the purpose of collecting what is due him and for the purpose of liquidating at the least possible expense what is owed by him. But the accumulator, the Savings Bank depositor, has no such purpose to look forward to. His object is not to do with as little cash balance as possible, but to increase that cash balance while it shall be in a form not only realizable in cash upon proper procedure but shall by its increase measure his prosperity. The point of view therefore is quite different. The banker employs the money of himself and his several fellow shareholders so as to give the greatest returns. It is true he looks after the welfare of his depositors, but his primary duty is to his shareholders. He is amenable to them. The depositor is a customer who may come and go, but the shareholder is not a creditor, properly speaking; he is a proprietor and he is entitled to the proper use of his money in such a way as shall be profitable, and the attitude toward the depositor is secondary.

With us who are not so much bankers as savings keepers the attitude is reversed. Our primary duty is to those who cannot look out for themselves. We set ourselves up in that capacity. We hold ourselves forth to the world as being ready to safeguard the surplus which economy and self-denial accumulates among those classes who are properly intended to confide in our care. We therefore must hold and we must remember in our discussion here that we are something other than bankers. It is true that the bankers allow us in their ranks. Some of us are bankers and savings keepers and some of us are savings keepers and bankers. Some of us are solely keepers of savings and not in any proper

sense bankers. It is true that the Bankers' Association allow us to participate on equal terms and even allow us to contribute the usual dues, just as if we were money making institutions. This is kind on their part, but they should recollect in fixing those dues that we are not bankers, but are the bankers' most stupendous depositors. Savings Banks taken collectively deposit more money in the National and State Banks than probably any other one class of institutions, unless it be the gigantic industrial corporations.

This is a great country for experimentation. Having the great number of Commonwealths that we have, united under one great Commonwealth, there is an opportunity for testing methods in every walk of life. Now in the Savings Banks, as I said, there are a large number of diverse methods of organization. Other methods have been tried in Europe and perhaps will be tried here. None of us, to speak in homely fashion, know it all. Each of us can learn something from his neighbor, and I myself do not admire the Pharisaic attitude that would impel people in one State in our walk in life to say of those of another State: "They are not Savings Banks at all; put them aside; they are not to be mentioned in the same paragraph with ourselves; we are the elect." I do not believe in anything of the sort. I believe that we should come together, and if you can convince us that your method, allowing for the difference in our environment and our situations, is superior to ours, we should give you the floor and let you prove it to us. And you, on the other hand, should allow us to prove to you if we can that our methods are worthy of commendation and emulation.

Now there has been the Governmental Savings Bank, an institution carried on by the Government or by the municipality. I believe our advocates of municipal ownership have not yet reached that stage. Then there is the semi-Governmental, or Postal, Savings Bank, carried on by a Department which was organized for a totally different purpose and not for banking, which it does through money orders, which I consider inappropriate for a Government Department. And although I am open to conviction, I consider the carrying on of a Savings Bank by a Department of the Government to be equally inappropriate. Then there is a type of Savings Bank which is a capitalized concern and which has stockholders. Doubtless in those localities where it has grown up that may be the best. We are glad to be instructed as to that point. We are glad to know what the difficulties are, glad to know whether there is that temptation to deviate from altruistic principles which we heard referred to this morning, whether there is not a temptation to set the stockholder up as superior to the depositor instead of second to him, as he should be. We must consider that. We are open to conviction on all these points. There are also those, generally the same kind, who not only are capitalized as savings keepers, but also bankers in the same building and over the same counter. Whether there is practically any danger from temptation to vary from altruism is another point that we will ultimately discuss.

Then there are in the older parts of the Union the old-fashioned, original so-called Mutual Savings Banks, which have no shareholders. The history of these Savings Banks has been reasonably prosperous, I believe, and we number very many of the oldest, soundest and most reputable institutions of that kind in our ranks. I am sorry to hear sometimes of that spirit which I have ventured to call Pharisaical, which would endeavor to separate institutions of this kind into a province of their own and will not admit that anything can be learned by them.

But we have not come yet to the time for considering these broader questions of organization. We have commenced in the right way. We have not begun with words of ten syllables, but we have commenced with the alphabet of the Savings Bank business. We have commenced by endeavoring to ascertain the best methods

as to the details of business and in those branches where we come in contact with the depositors. We shall reserve for a future time consideration of those broad questions of whether we shall be capitalized, whether we shall be purely Savings Banks, whether we shall be mutual. We will defer those questions. We do not propose to take them all up at present. We have commenced with some comparatively minor but really vital questions. During the past year we have commenced the collection of a complete and thoroughly classified set of forms by which the business of a Savings Bank is conducted. The hard and skillful work in making this collection has been done by our efficient Secretary, Mr. Hanhart. A set of forms will give you almost a photographic view of the methods and purposes and general trend of the business of the Savings Bank. By examining the collection which is now on view at the Willard Hotel every one of us, I think, will find something that he has not thought of before, something which he can with advantage either avoid or adopt. If we find anything worthy of adoption it will interest and help us. If we find anything to avoid it is a simple matter to avoid it, and it may remind us of some of the dangers of which we should beware. A large part of the work of this Section—and this is a working Section—has been devoted to the compilation of these forms. We have, however, several other questions in reserve which will hereafter be presented. One of these, rather a minor point, but one which seems to have acquired a good deal of importance, is the question of the treatment of certain accounts wherein proprietorship would seem under various laws and conditions to be somewhat doubtful, the so-called two-name accounts that on their face purport to be the property of more than one person. This is an intensely practical question. We propose to begin with intensely practical questions and from them gradually build up to the broader questions, such as the methods of organization, the question of supervision, how far and in what way should the State or National Government intervene for the public good; how far should paternalism be extended so as to interfere, or intervene, rather, more or less in the conduct of these corporations.

Then we have been considering another question which will also be a subject of discussion to-day, probably; that is the formulation and possibly the adoption of a plan by which statistics of the savings of the country may be more accurately ascertained than they ever have been. It is well known that the published statistics of this kind are very unreliable and not based on actual figures. This Section is representative. It does not contain by any means all of the Savings Banks of the United States, but it is so representative in its character, its members are so scattered from Maine to California, it embraces institutions of almost every kind and class which can be brought under this act, that a report given out anonymously as to institutions, and solely by aggregates as to States and sections, would be exceedingly representative. The question has been before our Executive Committee as to whether we ought not to have such statistics as those filed and circulated among our own members only, in order that we may learn the trend of things, in order that from the reasoning developed from these figures we may improve on past history. Those are among the subjects that are before us to-day.

We also are to listen to several gentlemen who will address us or read papers on various subjects.

Having said a very few words, and having minimized the annual address of the President, to which I know members on occasions of this kind always look forward with fear and apprehension, I will pronounce the Fourth Session of the Savings Bank Section of the American Bankers' Association open for business. (Applause.)

I will explain to the session that through the unfortunate circumstance of a Cabinet meeting being called at this hour Honorable Leslie M. Shaw, Secretary of the Treasury, will probably be unable to address you to-day, as he had expected. But another eminent gentleman who

is on our programme has arrived and we shall take great pleasure in listening to him. I now introduce to you Honorable W. B. Ridgely, Comptroller of the Currency of the United States.

Address of Hon. W. B. Ridgely.

Mr. Chairman, Ladies and Gentlemen: I was not fortunate enough to be here at the beginning of your President's remarks, to hear all that he said, but I was greatly interested in what I did hear, and especially in his conclusions in regard to Governmental regulation of banks, and to the very apt distinction which he made between interference and intervention. I do not believe in interference with banks, but I do think it is to the interest of the banks as well as to the interest of the depositors and the general public, that there be some Governmental intervention.

No one will question the desirability if not necessity of laws regulating the organization and operation of banks.

If we are to have such laws it is the most logical consequence that the law should not only regulate their methods of operation, but provide a system of examination and supervision to see that the creations of the law observe its provisions during their life as well as at their birth. It will also be found necessary to follow them after death and to provide for the administration of banks which fail to go into liquidation. In fact, the administration of insolvent banks is a very important part of any system of State regulation and one in which the difference between good and bad or indifferent administration is very serious in its consequences.

If the State gives a charter to a certain number of men authorizing them to establish the business of banking, and makes certain conditions as to the paying in of capital in cash and the other ordinary requirements of such an organization, it thereby assumes a responsibility for the parentage of the new corporation. It has given it life and power and a certain standing and dignity by reason of its State charter. It is only its plainly logical duty to continue its cares and supervision throughout the life of the institution, not only for the protection of the bank itself, but the people who transact important business with it, by virtue of this law-given life and power. This is no invasion of the rights of the incorporators or shareholders; it is only what they should expect and a most reasonable concession for the privileges which are granted to them by law. They have no natural right to incorporate. It is all given them by statute. In return for the franchise given them they should willingly submit to any reasonable regulation and supervision which the law imposes to safeguard and protect the public.

Probably a very large majority of the people who organize banks and those who are given charge of their management are acting in perfect honesty and good faith. My experience and observation lead me to believe that most banks are honestly managed, and most of these are also conducted with good judgment and ability. It may be and doubtless is true that such banks do not need any outside supervision. The officers and directors of any bank can, if they will, make far better examinations and exercise much more efficient supervision over the affairs of their bank than any official of the Government possibly can. Unfortunately the directors and managers of all banks do not fully discharge their duty in these respects. Some of them do not know how to conduct or supervise the business. Some who do know how neglect their duties, and others have neither the honesty nor intelligence needed. It is such banks as these that need State examination and supervision. No one is more interested in seeing that this is thoroughly given them than the people who are managing their banks honestly and well, strictly in accordance with the law. It is greatly to the interest of the man who is so conducting his business to see that his competitor is, as far as possible, compelled to do the same. Not only does it make the com-

petition more fair and give him a better chance for the business, but it reduces the risk to him from the failure of his neighbor, which may so upset the business of his whole community that there is danger to all its banks, no matter how well and prudently conducted.

I believe that what I have just said is especially true of Savings Banks. The record of American Savings Banks for honesty of management will certainly compare favorably with that of any other class of banks, especially in those States which have Mutual Savings Bank laws and real Savings Banks. From the nature of the business, the character of your investments and the people you have for depositors there is more to be feared from anything which destroys the confidence of your people. This makes it more necessary for you to see that you are not placed in competition with banks less ably and less honestly conducted.

Over no other banks has there been for so long a period such a complete and thorough supervision as has been given the National Banks of the United States. The Bank Act itself contains many severe restrictions. The examinations and reports of conditions are frequent and comprehensive. The good results shown by the National Banks are largely due to this supervision. During the more than forty years' operation of the law the failures of the National Banks have been much smaller in proportion to the whole number in operation than those of the banks other than National. The National Banks have paid their creditors a far larger percentage of their claims, and the cost of liquidation per one thousand dollars collected has been very much less.

The system of examination can be and should be improved by paying the examiners salaries instead of fees and in some other ways, but on the whole it has worked well—certainly well enough to demonstrate that it pays and is much better than no supervision.

Some of the States have very good banking laws, especially in regard to Savings Banks, and good State supervision. Some have fair laws and some poor laws, with little or no supervision.

It certainly will be an improvement if something like uniformity could be brought about, and especially if the States with no system of supervision would adopt some good plan for bank regulation. A State which creates a banking corporation and gives it authority to conduct the business of banking, whether it be commercial banking, a Savings Bank or a Loan and Trust Company, owes it to its people to see to it, as far as supervision will do so, that such a bank conducts its business honestly and according to law, and it owes it to the banks which are well and ably managed to protect them from the dangers and competition of those which are run in violation of law by men who are lacking in honesty or ability, or both.

GOVERNMENT SUPERVISION OF SAVINGS BANKS IN DISTRICT OF COLUMBIA.

Mr. Latimer: Mr. President, I offer the following:

Inasmuch as there is now no law in the District of Columbia giving any Government officer supervision over Savings Banks, it is hereby declared the sense of this meeting of the Savings Bank Section of the American Bankers' Convention, assembled at its annual Convention in Washington, that such a law should be introduced in Congress and passed at the earliest opportunity giving such supervision, preferably to the Comptroller of the Currency, and the Savings Bank Section hereby pledges all its aid and influence toward the passage of such a law.

The President: Gentlemen, you have heard the motion. It seems especially appropriate at this time that we should take action on this question, after the remarks to which we have listened.

The motion was seconded.

Mr. Rother: Mr. President, we are acting here in the eyes of the whole country. What impression will such a resolution, applying to the District of Columbia, make upon the country if we ignore those States that have no laws? Or is it considered that because this is the seat of Government and under the control of the Congress of the United States that we are at liberty to make an ex-

ception? It seems to me it is well to consider whether such is the case. We have a number of States that have no Savings Bank laws, as we all know. Maryland, the State from which I come, is one of those States. Now, I repeat, what impression will an action of this kind by this session make on the States that have no laws when we consider only the case of the District of Columbia?

Mr. Smith, of Washington, D. C.: Mr. President, this is a subject which very appropriately comes before us now for two or three reasons. First, we have struggled through a term of fifteen years since the first Savings Bank began here, not only without any supervision, but without any Savings Bank law. At the time of the organization of the Union Savings Bank, with which I am connected here, we absolutely had no law under which we could get a charter. We had to go either into Virginia, across the river, or up into West Virginia, or to Delaware or New Jersey to get a charter at all, and the Union Savings Bank operates to-day under the laws of West Virginia. That is certainly an anomalous situation, that a Savings Bank chartered by another State should have its home office here. Yet that is the existing situation. And while we have to-day a law, which was passed as a part of a very minor chapter in the code, under which we might incorporate, we do not dare incorporate here because of the provisions of that law, or, rather, the lack of provisions of the present law. It is always difficult to get any local proposition through Congress. We need all the help we can get to put through the law which is going to be introduced this winter. Comptroller Ridgely has been very much interested in this matter and has prepared a bill which he is going to introduce, and we are all going to try to help him get it through. I think it is not only entirely appropriate but very desirable that that law should receive the sanction of the Savings Bank Section of the American Bankers' Association.

Mr. Rother: I do not want to be understood as opposing this proposition. I simply desire to call attention to the weight that it may have all over the country if we simply take up the District of Columbia and take no action with reference to the various States that now have no laws on this subject.

Mr. Creer: Mr. President, it is a fact that the Bankers' Associations of the State of Ohio have for several years past been trying to get together on the subject of an adequate banking bill looking to State supervision and examination. They have been unable to agree, and on the occasion of the recent State convention in Cleveland a bill that had been prepared with great care was tabled in the latter part of the session. It would be very neighborly and kind if the Savings Bank Section of this Association would lend any possible aid in its power to our good friends of the District of Columbia to further such legislation as they desire; but if the bankers of Ohio cannot agree as to what they desire in the way of bank legislation, and if some other States are in the same predicament, as I believe they are, I think this Association will be going rather beyond its power and arrogating to itself duties which are rather inconsistent to place itself on record as to what the bankers of the District of Columbia ought to have.

Mr. Smith, of Washington, D. C.: I think the resolution offered contains merely a suggestion that it meets with the approval of the Savings Bank Section that there should be some supervision, and that is all it says, adding the further paragraph that it is hoped Congress will give us a law. Perhaps all objection could be removed if it was stated that this resolution was introduced at the request of the local element here and that we want to aid them.

The President: I should like to ask for the information of the Section whether this proposed enactment has or has not received the unanimous approval of the local bankers' association. Some gentleman from the District of Columbia can no doubt answer that question.

Mr. Smith: I think it has received the sanction of

the local bankers, as far as it goes. We hoped it would go further.

Mr. Mills: Mr. President, if it is in order I should like to know how far this proposed law intends to go. I come from Maryland, the same as Mr. Rother, and we should like to know the scope of the law.

Mr. Griswold: Mr. President, perhaps it would save the time of the Convention if you would include the other States that have no laws on the subject but which desire that the Convention should take action in that direction.

The President: Replying to the next to the last speaker, as the Chair understands the purpose of the resolution it is merely to put on record the sentiments of this Section on the general subject, without regard to particular ways and means, and in reply to the last gentleman the Chair thinks such an amendment would not be germane to the present question, which relates solely to the District of Columbia, which is the one spot on this habitable earth with reference to which this Savings Bank Section of the whole United States has any right to express an opinion. We are all in one sense residents of the District of Columbia. It is our property; but it seems to me that it would be foreign to the purpose of this occasion to censure or praise the State of Maryland for having no Savings Bank Law, which I know her Savings Bank officers desire. While perhaps the embracing of the different States would not be positively out of order, yet it would not be germane to the present discussion. The question is, Do we or do we not approve of this resolution, which we have heard read, and upon which we have heard very able remarks?

Mr. Creer: Mr. President, perhaps it would be well to have the resolution read again.

The resolution was again read by the Secretary.

The question being called for, the resolution was agreed to.

The President: The next in order is the report of the Chairman of the Executive Committee of the Section, Mr. Latimer.

Mr. Latimer read the following report of the Chairman of the Executive Committee:

Report of Chairman of Executive Committee.

Your Executive Committee has held four meetings since the last Convention—September 13th, 14th, December 20th, 1904, and May 2d, 1905.

At the September meetings but little important business was transacted besides organizing.

At the meeting held December 20th the matter of printed forms was discussed and resulted in a call being made for forms in use by all the Savings Banks throughout the United States, the result of which is the compilation of forms on exhibition here to-day. In collecting these forms much time and some expense has been incurred, which, of course, will not happen again; but for the benefits to be derived from this collection we felt justified in going to the expense. Perhaps some action might be taken whereby a reproduction of these forms may be made and offered for sale to our members only, and in that way we may be reimbursed for the cost of production. Owing to the vast amount of time required of our Secretary in this work your committee has recommended a small salary to be paid him for his services.

The meeting of May 2d, 1905, was attended by nearly all the members, as well as by the only two *ex-officio* members of the committee, the Hon. Myron T. Herrick, Governor of Ohio, and Mr. A. C. Tuttle, of the Naugatuck Savings Bank.

At this meeting the question of the interchange of monthly reports of the deposits and withdrawals was discussed and received the commendation of the committee, and resulted in having the question brought before this Convention for action.

Our membership has materially increased since our last Convention, a report of which will be given in full by our Secretary.

The work of some of the State delegates has been most gratifying and has resulted largely in accomplishing this increase, and I think the appointment of State delegates to look after our interest in legislation as well as the increase in our membership ought to be continued.

Our expenses have been somewhat larger the past term than usual, owing to the collection of forms and the large amount of circularization done. Most of this it will not be necessary to duplicate.

Any appropriation asked for our use has been cheerfully granted by the Executive Council, and we have a small balance to our credit at this time.

Contrary to the original intention of having our officers (except the Secretary) act for one year only, I have been elected

for the past three years as Chairman of the Executive Committee. This was thought best at the time, owing to the many things in connection with the organization of the Section, and now that we are thoroughly and successfully organized and I am to retire I want to thank those of you who have given me their assistance and hope that the same pleasant relations existing between the members and myself will be cheerfully accorded to my successor.

(Signed) G. BYRON LATIMER.

The President: Gentlemen, you have heard the report of the committee. What is your pleasure?

On motion the report was accepted.

THANKS TO COMPTROLLER RIDGELY.

Mr. Rhodes: Mr. President, the distinguished Comptroller of the Currency, Mr. Ridgely, has delivered an admirable address on a subject which is of great interest to each and every one of us, and the recommendation he has made that all the Savings Banks of the country be put under his care certainly means much for the good of the system throughout the country. We should always try to obtain the very best we can get in the way of legislation in every district and State. We have adopted a resolution recommending the passage of such legislation for the District of Columbia, the Capital of this nation, and now, Mr. President, I rise to move that the thanks of this Savings Bank Section be and are hereby extended to Mr. Ridgely for his able address. (Applause.)

The motion was seconded and was unanimously agreed to.

The President: Mr. Ridgely, it becomes my pleasant duty to convey to you the thanks of this Association, and we compliment you on the style of your paper. In its admirable epigrammatic brevity it is a little classic, which contains much in small compass. The thanks of this Section are hereby conveyed to you. (Applause.)

The next thing in order is the report of our Secretary, Mr. Hanhart.

The Secretary read the following report.

Report of Secretary.

Mr. Chairman and Gentlemen of the Savings Bank Section:

I am pleased to report a substantial gain in the membership of this Section since our last Convention in New York in October, 1904. We then had 616 members, while our membership at this date is 734. I take this occasion to thank many of the State delegates, who have unselfishly given considerable time in their endeavors to increase our membership.

The amount of our expenses of this year is heavier than usual, one of the reasons being that some of the items, such as rent, etc., include expenses incurred prior to the beginning of the present fiscal year, but not paid then; they also include expenses incident to the collecting, arranging and casing of the printed forms, which you have all seen on exhibition at our headquarters.

Stationery, printing and binding.....	\$412.13
Postage stamps.....	188.00
Typewriting and stenography.....	446.00
Rent and telephone (two years).....	607.54
Expenses of Executive Committee meeting in May last.....	133.81
Convention expenses (badges, programmes, etc.).....	89.00
Salary of Secretary.....	400.00
Expenses of Proceedings, etc., of last Convention sent to members and paid by Secretary Branch.....	606.46
Sundries.....	138.65
1,500 copies of Convention Proceedings, sent to non-members.....	168.38

Total \$3,189.97

In explanation of the item of \$168.38 for Convention Proceedings, I will say that it was decided last year, as an inducement to the non-member Savings Banks to join the Association, to send them a complete report of the proceedings of our last Convention. This expense, of course, will not be incurred again, being now unnecessary, as our Section is well known throughout the country.

Respectfully submitted,

WM. HANHART, Secretary.

On motion it was ordered that the report be accepted and placed on file.

The President: It is appropriate for me to say again, as I have already said, that the vast amount of work performed by our able Secretary, to which he has modestly made no reference in his formal report, is work of a kind and amount which none of us can realize except those few of us who have been at work near him and in touch with him and have witnessed his faithful and

unsparing diligence and attention to business. (Applause.)

You will observe that on our programme there is an address on a very interesting subject, "Proposed Bank Legislation in Ohio," which was to have been read by N. Henchman Davis, Esq., President of the Central Trust & Safe Deposit Company of Cincinnati, Ohio. Although the State of Ohio has not such a busy Banking Law as we would like it to have, yet Mr. Davis lives in a very busy State. He has found it impossible to be with us in person, but he has sent to us a very carefully prepared essay on this subject, which I am sure will be listened to with great interest, as the eyes of the civilized world are very largely on Ohio, a place from which our great men are very apt to come, and then after they have come from it to stay away from it. (Laughter.)

I will ask the Secretary to be kind enough to read this essay of Mr. Davis, and I am sure he will do full justice in the reading of it.

The Secretary then read the following paper:

"Proposed Bank Legislation in Ohio," by N. Henchman Davis.

[Mr. Davis' address in full will be found on pages 142 to 144 of this publication.]

The President: Gentlemen, you have listened to this very interesting paper, which will take the usual course and be printed in our transactions. A question has occurred to me which perhaps our Secretary can answer, which may be of interest to others. That is as to what will become of the few noncapitalized savings institutions now existing in the State of Ohio in the event of the passage of this proposed legislation.

The Secretary: There are, as I understand it, four Savings Banks in Ohio that are mutual and were organized long previous to the present legislation. As I understand it they will not be interfered with, with the exception that five times a year, like all financial institutions, they will have to make reports to the Superintendent of Banks. They are not interfered with otherwise. Their investments and organization will remain the same as at present.

The President: But they will come under the examination of the Bank Superintendent?

The Secretary: Yes.

Thereupon the Section adjourned until 2 o'clock p.m.

AFTERNOON SESSION.

The President: At the time of the adjournment we were considering the address of Mr. N. Henchman Davis, of Ohio, on the subject of "Proposed Legislation" in that State. Is it proposed that any action be taken or is any debate or interrogation desired on that subject before passing to the next order of business? We wish everything to be as fully discussed as possible, but if no one has anything to say we will pass on. The essay is a very exhaustive one and doubtless has placed the matter in as good a shape as it can be at present.

The next order of business is the report of our special Committee on Accounts Opened in Two Names. That committee consists of Mr. B. W. Johnson, of Albany; Mr. J. H. Johnson, of Detroit, and Mr. W. W. Cloud, of Baltimore. The Chairman of that committee being absent, I will call upon Mr. J. H. Johnson, of Detroit, to read the report.

Mr. Johnson: Mr. President, the committee having made a complete report and copies of it having been furnished to all the members of the Section I would suggest that the reading of the report be waived.

The President: And that it be accepted as printed and laid before us?

Mr. Johnson: Yes.

The President: You have heard the motion, gentlemen. Is it seconded?

The motion was seconded.

Accounts Opened in Two Names.

[This report in full will be found on pages 145 to 147 of this publication.]

The President: A number of gentlemen desire to be heard on this question, and it seems appropriate that the discussion should be opened by the counsel of the Executive Committee, who has studied this subject more thoroughly than any one else. I should like to hear from Mr. Paton, of New York.

Mr. Paton: Mr. President and Members: Gibbon in his admirable history of the decline and fall of the Roman Empire tells us that after five centuries the number and weight of the laws became so numerous that the proposer of any new law stood among the people with a cord around his neck, and if the law was rejected he was immediately strangled. Now, gentlemen, having been the counsel who drafted the proposed laws which are rejected, so to speak, by the committee, I am very glad indeed that we do not live under any such conditions.

The origin of this matter of the regulation of two-name accounts began in a discussion at the last meeting. The proceedings of that meeting are a matter of record and there is no necessity of going into detail as to them. It is sufficient to say that a committee was appointed with the request that they consider the framing of a uniform law to regulate the subject of two-name accounts. That committee honored me with the request that I draft such laws. I drafted two laws, one covering trust accounts, the idea being a law which would supplant the attempts of people to make a will by putting money in trust for another by a form of declaration, or nomination, rather. It is fully set forth in this report, and you have all read it doubtless. The other law which I drafted was a proposed law to protect the banks in paying joint accounts to the survivors. The committee have absolutely excluded from consideration the Trust Law as being beyond their province and have confined their report to the law regulating joint accounts. In their report they reached the conclusion that it regulates property rights. It was not intended to do any such thing, and I do not think a reading of the law will so indicate. It simply protects the banks in paying to the survivor. The committee in their report say that legislation regulating joint accounts is neither practicable nor desirable, and they recommend a standard form of declaration, uniform terms to be adopted by the banks for the regulation of these accounts. Now we all know that joint accounts are in a great variety of forms. It will not do to say that they are numberless, for even the hairs of our heads are all numbered, and I have heard some gentlemen say that they wish they had a few of the back numbers. (Laughter.)

But your industrious Secretary has collected a large number of these forms which have been devised doubtless by attorneys for the banks in different States in an endeavor to conform to conditions as developed by decisions of the courts in those States. We all know that the decisions governing those joint accounts are conflicting in the different States and that they will continue to conflict. Now the problem which this report of the committee presents to us to-day is this: You evidently are dissatisfied with existing conditions. You want some method of regulation. The question is, Will you adopt legislation protecting the banks in paying joint accounts to the survivors or will you adopt a standard form of joint accounts, or will you leave things as they are? It seems to me that it will be impracticable to adopt any standard form of joint account as recommended by the committee, with all due respect to that committee, unless it is backed up by legislation. Take any form that may be submitted. Will the banks in that State adopt it knowing that the courts in that State may differ in their construction? It seems not. It seems as if the only practical way to regulate that subject at all is to adopt a statute which will protect the bank in paying to the survivor. Of course this is simply my individual opinion. You all may differ with me. This proposed statute will protect the bank, so that it will not be put in the dilemma, as it often is, of interceding between the parties or paying when it is unsafe to do so. Why is not such a

statute practicable? We recollect that banks, with reference to a form of account in trust, felt unsafe in paying to the beneficiary on the death of the trustee and statutes have been enacted in at least a dozen States permitting the trustee, in the absence of notice of any other conditions of the trust, to pay to the beneficiary. That statute does not regulate the title, but it protects the banks. Now, why cannot the same thing be done, and why is it not the best thing? It is for you to discuss the enactment of such a statute. Now, the proposed Ohio legislation that was made the subject of an address this morning, in Section 33, contains just such a provision. It is brief and I will read it. "Whenever a joint deposit is made to the account of two or more persons, with an agreement that such deposit is to be subject to the check of either party, and that it shall continue so notwithstanding the death of any one or more of the persons making such joint deposit, such account shall continue to be payable on the check of the survivor, and death of any one or more of the persons making such joint account shall not revoke the power of the survivors or survivor to check on such account; and no recovery shall be had against such company for amounts so paid on the checks of such survivors or survivor and charged to such account."

That is simply in another form of language providing as is provided in this proposed act.

When an account is opened in the Savings Banks by two persons, or to an existing account in a single name is added the name of another person, and the account is by its terms made payable to either or the survivor, the bank may during the life of both persons pay to either, and upon the death of one the moneys due upon such account shall be payable to the survivor.

I do not understand that the words "shall be payable" regulate any property rights. If there is any question about it change them, and let it read "may be paid to the survivor." That is as far as legislation should go, and it seems to me that it is much the better and wiser and simpler and more practicable way of regulating the subject of joint accounts than to adopt any standard form which will not be adopted in all the States in view of the conflicting constructions which the courts in the future will put upon it. Those are my views with reference to joint accounts, and the other subject not being within the province of the committee, according to its report, I will not assume to discuss that now.

The President: Gentlemen, I wish to call attention to what seems to me to be one misapprehension on the part of the committee. Only one member of the committee was present at the meeting of last year, and he was not the Chairman of the committee. It was distinctly understood then that two-name accounts included trust accounts, because the trust account of necessity has at least two names on it, one the trustee, and the other the cestui que trust. I raised that question myself, not thinking at first that the expression "two-name" was susceptible of that interpretation, but immediately it was definitely stated that two-name accounts were intended to include the trust accounts. Therefore I should rule that the discussion on trust accounts is perfectly proper under this report, although the committee has been under a misapprehension in believing that this was not intended to be part of their sphere. I shall be glad to hear any other remarks on the general subject.

Mr. Johnson, of Detroit: This is a rather difficult subject to take up, and I have found that the more I attempted to learn the less I knew. I think you will have to divide the subject, with all due regard to the President. I think we shall have to keep the subject of the joint accounts separately from the trust accounts, because I think the legal propositions are different. I am not an attorney, but it occurs to me that they are. The conflicting laws of the various States and the different conditions make it extremely difficult to pass any law that could be used generally, as I have been told by several prominent attorneys, and they told me, too, that a simple form of declaration in the making of the deposits would cover the banks fully. If you are careful to avoid any reference or condition which indicates that either party draws by virtue of a power of attorney, then the bank is fully protected by this simple form of declaration. I have looked over the various forms of contracts which are signed and executed and made a part of the deposits, but unfortunately I have not had an opportunity to consult with our

Chairman, and have consulted for only a few moments with the other members of our committee. It is only my individual opinion that the simplest and best form I have found in the various two dozen or more that the Secretary has selected for us is the simple declaration "payable to both or either, or the survivor," and stop right there.

Now, I have here the legal opinion of our attorneys on the subject and they rule against Mr. Paton and his proposed draft of a law. I also have the opinion of a very prominent firm of attorneys in our city holding that the law is not necessary, but that such a simple clause as I have suggested will fully protect the banks. If you have the time later I shall be glad to read those letters to you, but I do not want to occupy your time unless you are so disposed.

Mr. Rother: Mr. Chairman, I believe this question of two-name accounts has been a trouble to the Savings Banks ever since they were in existence, and I do not believe more trouble has been caused in any State than in Maryland by this question. On last Saturday a case came to my notice where a gentleman deposited \$3,000 in his own name and the name of a lady, subject to the order of either and the survivor. We have any number of decisions in the State of Maryland that if the bank knows of the death of either of the parties it pays the money at its peril. In this case to which I refer the bank book was given to the lady after the deposit was made. After the death of the gentleman she went to the bank and withdrew the account and deposited it in her own name. The attorney for the heirs learning of the deposit has entered suit against the administrator. I have consulted with three different attorneys, and each one of them tells me that the heirs will get the money. This shows that the proposition made by Mr. Johnson does not cover the case, because the intention of the depositor is that the money shall go to the survivor and not to the heirs. Now ten years ago, in order to bridge over this difficulty, the attorneys in Baltimore of all the Savings Banks had a consultation on this point, and they devised a form which has been adopted as far as I know by all except two of the Savings Banks and which has stood the test of the courts—that is, creating a trust—John Jones in trust for himself and Mary Jones, subject to the order of either, the balance at the death of either to belong to the survivor. That is a form that I understand will hold in Maryland. Why should not that also hold in other States? The decisions of the courts in the State of Maryland have held unanimously that the placing of additional names in a Savings Bank book is not a gift, because it can be revoked. It is a gift with a string to it, and in the eyes of the law no gift at all. That is why at the death of either of the parties the money goes to the estate, whereas by creating a trust, in the manner I have suggested, it is out of the reach of the administrator. That is the practice in Maryland. I believe that would apply to other States. Of course, not being a lawyer I cannot tell certainly, but it does hold good in Maryland.

Now, coming back to Mr. Paton's proposition, by the act that he proposes, if it were adopted by the Legislatures of our various States, I see no reason why it should not control, certainly to the satisfaction of the banks, because it would give the banks a complete discharge. According to my opinion it would also comply with the desires of the depositors, because that is what we want. We know from experience that the desire of the depositor is to have his money go to the other depositor named in the bank book, and to avoid the expense and trouble of proceedings in the Orphan's Court. Besides that it may be a special fund which had been intended for a certain party, as was the fact in a case that came to my notice last Saturday. This woman had boarded an old gentleman for five or six years at about ten dollars a month, and he told her "I have \$3,000 in the Savings Bank, and that is deposited in your name with the provision that when I die that money will belong to you." Now, here is a case where under ordinary circumstances we would recognize the fact that that money belonged to that woman, but under the form as proposed here by Mr. Johnson it would go to the estate. It appears to me that the trust account is the only one to overcome the difficulty, if that is good in other States.

The President: I would like to have the gentleman who has just spoken give us the literal words of that declaration, as it is very important that we should know exactly the words used.

Mr. Rother: I can give the exact wording of it: "John Jones, in trust for himself and Mary Jones, joint owners, subject to the order of either, the balance at the death of either to belong to the survivor."

Mr. Niemeyer: I would like to ask the gentleman a question in the case. Is the administrator in possession of the money?

Mr. Rother: The bank has the money.

Mr. Niemeyer: The bank has not paid it out yet?

Mr. Rother: The money is in the bank.

Mr. Niemeyer: I thought the bank had paid it out.

Mr. Rother: No, sir. It was transferred to another account, but it was still in the bank. If they had paid it out there would have been no redress against the bank in Maryland, but as the money was left with the bank in the name of the devisee it can be traced.

Mr. Hanhart: Mr. President, with your kind permission I will say a few words in relation to accounts opened in Savings Banks by one person in trust for another. The Committee on Two-name Accounts in their reports have confined themselves to the question of joint accounts, and have come to the conclusion that, in their opinion, general legislation for such accounts is neither practicable nor desirable, in which opinion I heartily join; although I believe that a general form of declaration to be signed by both parties at the time of opening these accounts could be devised and successfully adopted by Savings Banks in all the States of the Union; but for the present I will confine my remarks to the question of trust accounts as considered in Mr. Paton's communication.

It is with considerable diffidence that I venture to differ with the honorable counsel of this Section, and before stating my views I will say that I take off my hat to lawyer Paton, than whom no better man exists to clearly and understandingly state the different points relating to any legal question affecting banks. He is an honor to our Section and my very good friend.

Mr. Rother: If our Secretary will permit me to interrupt him, I wish to say that this declaration was made in one instance, and signed by the depositor, and yet the courts decided that it did not hold good. The only way in which it could hold good would be if it had two witnesses, taking the place of a will, and then it would have to go through the Orphan's Court. A declaration such as you speak of, signed by a depositor, stating "I desire that at my death this money be paid to Mary Jones," that statement being signed by him, the Court said that notwithstanding that it belonged to the estate.

Mr. Hanhart: I am trying to cover this point, if you will have patience with me for just a few moments. Of course my views are from a banker's standpoint. I am no lawyer. I am only a layman.

I am, of course, quite willing to take Mr. Paton's statement of the law itself, but after all I think that, being in business, we should do business in a businesslike way, with the sole view of furthering and increasing this business, not forgetting that we are dealing with depositors, many of whom are uneducated. We must endeavor to make our transactions with them as plain and easy as is consistent with safety.

The statute proposed by Mr. Paton is very thorough, and it seems to cover the ground entirely, but my first objection to it is that I doubt if such statute would be universally adopted by the legislatures of the several States without being amended here and there, and it would thus lose much of its usefulness. In my opinion it is too particular and too minute. Apart from this general objection there are several others that strike me very forcibly. The first and the greatest is that it attempts to make people nominate their beneficiaries by a special instrument in writing, instead of merely opening an account in the old fashioned way, which for years has been used by hundreds and thousands of depositors in the East, and which I understand is also generally used in the West; and that is, for a depositor when depositing his or her money to state that it is in trust for a certain beneficiary.

This proposal of nomination would also complicate matters materially, in so far that not only would a nomination in each case have to be signed and witnessed according to a given form, but when made outside of the State it would have to be certified by a person authorized to take acknowledgments relating to real estate. Many deposits are nowadays received by mail, and should the depositor reside without the State it would be an additional expense to him when opening the account and also whenever he would change his beneficiary.

This proposed, so-called, nomination is copied from the English custom, where it worked very well, but the conditions are very different as between England and the United States. In England the Government is supreme, and having

once adopted this system of nomination it could enforce it without trouble. In this country I fear that these nominations would frequently be set aside by the courts as clashing with the statute of wills; aside from this consideration, why, may I ask, is it necessary to adopt this English system of nomination? When a woman deposits \$100, stating that she would like to have her son Johnny's name added to the account, so that at her death it would go to him, why is this not sufficient, or could it not be made sufficient by a short statute legalizing this trust, declaring the account to be a tentative trust, to become legal and valid only at her death?

Similar legislation exists in several States of the Union, among others my own State of New York, where the statute permits payment of such accounts in Savings Banks to the beneficiary at the death of the trustee. An objection to this, however, seems to be that the statute is merely permissive, and while it safeguards the bank in making such payment it does not declare that the balance on hand at the death of the trustee belongs to the named beneficiary—it merely permits payment to him, but does not settle the ownership.

Taking it altogether, I must say that I am not in favor of such a radical change as the one proposed, and consider that a short form of statute following along the lines that we have always been used to and merely legalizing this matter would be more satisfactory to the bank as well as to the depositor. Savings Banks are recognized as among the most conservative forces in our financial system, and should be loath to introduce new systems as long as the old ones are fairly satisfactory or could be made so by a short enactment.

I now beg leave to offer you the following form of statute, based on a recent decision of the Court of Appeals of the State of New York, and which statute I believe could be adopted in every State of the Union:

A deposit in a Savings Bank by one person of his own money, in his own name, as trustee for another, is a tentative trust only, revocable at will; at the death of the depositor before the beneficiary, and without revocation, an absolute trust is then created as to the balance on hand, which shall immediately become the property of the beneficiary and payable to him by the bank.

Being only a layman, I quite realize that the phraseology of this proposed statute may be considerably improved and therefore I merely offer it to this Convention as a suggestion of what would, I think, thoroughly cover the ground relating to trust accounts, legalize the whole matter and at the same time make no change whatever in the usual methods of handling these accounts.

It would merely confirm what is the general use and make it plainer, safer and legal.

A Member: How about the property rights of creditors under that proposed statute?

Mr. Hanhart: This proposed legislation would put the property rights of the creditor out of the question. It would make it a tentative trust, becoming legal at the death of the trustee, and creditors would have no interest in it. They may have an interest in it until the trustee dies, but at his death it turns the account into a legal and valid trust.

Mr. Rother: Mr. President, is not that an entirely and distinct thing from the proposition of Mr. Paton? Mr. Paton's proposition for an enactment covered accounts that had not been made trust accounts, while Mr. Hanhart's proposition covers accounts that have been made trust accounts. I believe if we want to cover the ground it would be necessary to recommend that both forms of account be recommended to the Section for consideration. I would like to have the views of Mr. Paton on that.

Mr. Paton: Mr. Chairman, I beg pardon for appearing twice, but in my former remarks I simply confined myself to joint accounts, as that was the only subject taken up by the committee. In drawing these two forms of laws, one the nomination law, which Mr. Hanhart confines himself to exclusively in his paper, and the other the joint account law, I had in mind the regulation of the two subjects. In the trust law, or nomination law, my object was to make a will to regulate title. In the joint account law my object was simply to protect the bank. Now, we all know that the numerous forms of deposit, A, in trust for B, have been construed differently in the different States. The decision to which Mr. Hanhart refers settle the law in the State of New York, and if that law was universal in every State we would have no further trouble. Under that judicial law in New York you can make a will by putting an account in trust for another. The Court of Appeals declares that it is a tentative trust. It is revocable at will. It is a will or it is not

a will, you have it or you do not have it, until you die, and then what is left goes absolutely to the beneficiary. That is nothing more nor less than judicial legislation, and if the courts of the other States were to adopt the same view the matter would be regulated; but no later than last July the Court of Chancery of New Jersey had the same kind of a case before it, of a deposit by one person in trust for another and nothing appearing as to the intention of the depositor. The depositor died and the contest before the court was between the beneficiary and the estate of the depositor. Under the decision of the Court of Appeals of New York the beneficiary would have been entitled to that. The New Jersey Court of Chancery in a voluminous decision criticised the Court of Appeals of New York and declared it to be judicial legislation, holding that it is against all established legal principle, that such matter is for the legislature and not for the courts, and that is the law in New Jersey, that the money under those circumstances belongs to the estate. Now see the conflict of authority. In New Jersey in order to effectuate the intention of the depositor it is necessary to make a will, because under the law of wills if property is to go in a different channel from what the law provides on the death of a person it must be according to the law of wills, with witnesses and all the formalities connected with the making of a will, including the probating of the will.

Now, it is universally recognized that it is desirable, in the interest of the small army of Savings Bank depositors, to simplify that matter in the case of small accounts. The amounts might be limited. Therefore it would seem that legislation in this direction is desirable. The courts in their opinions admit that. The question is, what form of legislation shall we have. I looked at the English legislation, and saw that there they have a system of nomination by which persons desiring to own their money in the Savings Bank as long as they live, but desiring it to go to another specified person upon their death, could by writing in several forms say, "I nominate So-and-So to take the whole or any part of the amount due me by the bank at my decease." That would be in reality a will. The form which your honorable Secretary suggests is to enact a statute in conformity with the decision of the New York Court of Appeals, to the effect that when a deposit is made in trust for another, and no other declaration is made, it is a tentative trust, revocable at will, and at death the balance remaining shall go to the beneficiary. Now, that would be very nice and very simple. Such a form of legislation would cover accounts not intended to be made wills. You know better than I do whether there are not many accounts put in trust for another where there is no intention of making a will, where there is no intention of the money going to the beneficiary, but for convenience, to evade some rule of the bank, or for some other purpose where the depositor expects the money will go to his heirs on his decease. Now, such a form of statute as that would confer the title upon the beneficiary contrary to the intention of the depositor, and it in reality is not a trust at all. When a man puts money in trust for another, but intending to have it as long as he lives, and to take it out and use it if he likes, it is not a trust. A revocable trust is no trust at all. He does not hold the title in trust, but holds it for himself. It is really the making of a will, and it seems to me that the transaction which conforms most nearly to the actual intention is this one of nomination. That is the way it occurs to me. Others may think differently. Now, you may punch a lot of holes in this statute. I am not sure myself but what I could improve it. It was drawn just tentatively, to be brought up for discussion. I refer to this nomination statute. It may well be that it ought to be limited in amount. There have been suggestions made that it does not sufficiently provide for the claims of creditors of the deceased, that the money might be paid over to the nominee and the nominee might spend it before the creditor knew that his debtor had died. Well, is not that done now by the trust accounts in New York? Where does the creditor come in in that case? A makes a deposit in trust for B. A dies and B gets the money. It is the same thing. Of course in a regular form of will, the probating of the will is notice to the creditors and they are protected, but it is otherwise with these trust accounts in New York at the present time under this decision of the Court of Appeals, where the beneficiary gets the money without any such formality or without any such provision for creditors. Very often in a joint account where money goes to the survivor, the survivor gets it under the decisions where it appears that the intention was to give him the money, and it was given during life, and that joint account was created. This nomination statute, as I say, may be subject to criticism and it may be improved, but it strikes me that the general principle is the right one with reference to the trust accounts.

Now, with reference to the joint accounts, I think that subject has been pretty nearly all covered by what I said before. The gentleman from Baltimore (Mr. Rother) shows us very conclusively why the form of declaration, payable to A or B, or the survivor, would not do for a standard form of declaration for this Association. I recall that the Supreme Court of Rhode Island recently had a case where A gave the bank book to B before he died, and the Court held that the survivor took the money. There was another case before the same Court where A never gave the book to B and B knew nothing about it, and in that case the survivor did not get the money, but it went to the heirs of the estate. In every State you will find the courts so conflicting in their views as to the effect of the account of A for B or the survivor, or any similar form of account. For that reason it seems to me that some simple form of statute, not regulating property rights, but protecting the bank in paying to the survivor, would cover the case, and the statute itself would make one uniform form.

The President: Before Mr. Paton takes his seat I should like to have him enlighten us upon one point in the project of Mr. Hanhart. In his draft of a proposed law, as I remember it, the expression is used, "a deposit in a Savings Bank by one person of his own money." Now, I should like to know whether in your opinion that is a dangerous phrase to introduce, and upon whom the burden of proof would rest of its having been the depositor's own money.

Mr. Paton: Would you read that over again?

Mr. Hanhart: I am no lawyer, and I said the phraseology might be improved. The language I used was:

A deposit in a Savings Bank by one person of his own money, in his own name, as trustee for another, is a tentative trust only, revocable at will; at the death of the depositor before the beneficiary and without revocation an absolute trust is then created as to the balance on hand, which shall immediately become the property of the beneficiary and payable to him by the bank.

Mr. Paton: Would a person deposit any except his own money?

The President: He might deposit the money of a *cestui que trust*. How are we going to know which it is?

Mr. Paton: Suppose I go to the bank and deposit money in my name in trust for John Smith, and I do not know John Smith, and I intend that the money shall be mine, but it is done for convenience. Is not that very frequently done?

The President: Frequently.

Mr. Paton: Under that very statute would not that money go to John Smith instead of going to my heirs?

The President: But suppose it was your son's money, derived from some other source, for instance from his grandmother, and you wished to put the money in the bank, your son being too young to transact the business, or not a proper person. What would be the effect of that statute in that case?

Mr. Paton: It might change the effect so that instead of his getting it at 21, when he was entitled to it, he would not get it until I died. That might be. I cannot answer these questions offhand, without thought and reflection.

The President: Would not the bank have to inquire into the question whether this was his own money under such a statute?

Mr. Paton: I think it would. I think it would be necessary to confine the deposits in that form to money belonging absolutely to the depositor, concerning which he intended to make a will, and would exclude all other classes of deposits, or exclude the use of that form for all other classes of deposits.

Mr. Hanhart: I fail to see where the question of a will comes in. If a short statute is adopted, declaring the conditions of certain trusts—that is, for instance, these trust accounts in a Savings Bank—why should it clash with the statute of wills? It is a trust. You are not leaving your money by will, but you are starting a trust, which under the statute would be declared a tentative trust only, revocable at will; also under the statute it is declared that it only becomes a legal and valid trust at the death of the trustee. It seems to me you are making no will, that it does not clash with the statute of wills, and that it is simply a form of regulating a certain kind of trust, and that is this very form of trust in a Savings Bank. I admit that they are very peculiar forms, but these accounts have been opened by thousands, and you might say by millions, of depositors in the East. They have given a little trouble once in a while. Once in a while there is a contest after the death of the trustee. The legal representatives of the trustee will try to get the money from the bank; but if you legalize the way we have always been accustomed to, which is to pay the bene-

fiary at the death of the trustee, I think you will be rendering a service to thousands of depositors in the Savings Banks of this country. You are legalizing these semi-trusts. You are putting them under the protection of the law. The law will declare that they are only tentative, that you can revoke the trust at any time while you are alive, but that the very moment you die the balance on hand goes as a legal and valid trust fund and belongs to and is payable to the beneficiary. We must try not only to protect the banks in these trust accounts. The bank is fairly protected to-day. Under the statutes of many of the States of the North and East the banks may pay the beneficiary at the death of the trustee. The bank may pay. That is the language of the law, the banks may pay the beneficiary at the death of the trustee; but if it is desirable to regulate the matter I say that a short form of statute would probably legalize it better, and also cover that point which is not covered, as I understand, in any of the statutes now in force—that is, the question of the ownership of the funds on the death of the trustee. It is not only that the banks may pay the beneficiary, but the statute will declare that it becomes a legal and valid trust and that the money belongs to the beneficiary, and therefore that the banks may pay.

Mr. Rother: I must apologize for rising again.

The President: We are very glad to hear from you.

Mr. Rother: As Mr. Hanhart proposes to have a law passed regulating the trust declaration, what objection has he to having a similar law passed regulating the joint account? The one is as important as the other, and I do not believe I am at all wrong when I say that there are more Savings Bank joint accounts than there are trust accounts. That is my experience of 30 years behind a Savings Bank counter. So I believe it is just as important to regulate the one as the other. I heartily approve of the suggestion made by Mr. Hanhart, but I also approve of the suggestion of Mr. Paton that both should be regulated by law and not give the courts an excuse to say that that is something for the legislature to regulate and not the courts. Our object is to avoid trouble, to create as little trouble as possible for the depositor and also to protect the banks. Now, how do we arrive at that? By the enactment of these propositions, the one by Mr. Paton and the other by Mr. Hanhart. Perhaps the phraseology should be changed, but undoubtedly that is the cleanest way to arrive at that point. How far we will succeed in having it enacted by the various legislatures, of course, is a question to be determined by the future. We cannot prophesy as to that, but I do not think we ought to come back here and simply accept the report of the committee and let the matter stand where it is now. If we do we will be exactly where we were ten years ago. I believe the report of the committee ought to be rejected and that the propositions of Mr. Paton and Mr. Hanhart ought to be adopted.

Mr. Hanhart: The gentleman asks why I believe that the law should not interfere with joint accounts. I think that question can be answered easily. The trust account legalized by law by a short statute and carried on in the way we have always done is all right. The joint account is a very different thing. I do not see how any law will ever decide the question of ownership of joint accounts. That involves property rights that we cannot enter into. In the case of a joint account, on the death of one of the parties the question is, to whom does that money belong, and I do not believe any agreement entered into beforehand will settle the ownership of the deposit. It may relieve the bank of liability in paying, but a joint account is a very different thing from a trust account. It involves property rights that I do not think we can enter into, and I do not believe you will ever get a statute passed to settle the status of a joint account. Neither the bank nor any one else can determine beforehand the relative rights of the joint depositors. We do not know whose money it is. Does it belong to one man or does it belong to the other or does it belong jointly? Does half belong to one man and half of it to the other? We can never settle that question. The question of trust accounts is a very much easier one than the question of joint accounts.

Mr. Rother: I am not prepared to say whether this can be legally enacted, but if we look at the desire of the depositor we will have it enacted. We know what the depositor wants when he deposits the money. We know that he wants it to go to the survivor, because he tells us so. Why can we not have laws passed to make that good? Of course if it cannot be done that ends it, but it appears to me that if we can do the one thing we can do the other, and that one is as necessary as the other and that they can be

reached by similar legislation, because the intent of the depositor is exactly the same in each case. We create trust estates because we advise the depositor to do it. We know that the other will not hold under the law of Maryland and that is why we advise them to create trust estates. It seems to me we ought to cover both points.

Mr. Smith, of Washington, D. C.: While you are on this subject I wish to say that at the last meeting of the Executive Committee there was a suggestion made by Governor Herrick, of Ohio, as to how this matter of joint accounts is handled in the Cleveland Savings Society. He said that whenever an account was opened, a two-name account, the teller was directed to hand to the depositor a short form, four or five lines, of a will, and he was asked whether it was not his intention that after his death this money was to go to the second party absolutely, and if so that he sign the will; and with all their joint accounts practically they have what is in effect a legal will under the laws of the State of Ohio. Under such a method as that, of course, the bank settles the matter without any necessity for any statute.

Mr. Rother: Does this deposit go through the Orphan's Court or has the Savings Bank the right to pay it to the nominee?

Mr. Smith: They have the right to pay it to the nominee.

Mr. Creer: I beg pardon, the gentleman is in error.

Mr. Rother: That would not go in the State of Maryland.

Mr. Creer: It seems to me we are drifting from the original intent of this discussion, and that the treasurers and secretaries and presidents of the various savings institutions represented here are not so much interested in the form of an enactment as in some method, whether it be by agreement or by statute, which will enable their institutions to pay money upon deposit without entailing any liability thereafter. I beg to differ with the report of the committee. Such an agreement would not hold in the State of Ohio for a moment. You could drive a six-mule team through it. The will referred to by the gentleman from Washington (Mr. Smith) in the Society of Savings in Cleveland must become a matter of record in our Probate Court. The law in each State defines certain methods by which property may pass from one to another, and when you come to make legislation for the passage of money you are making legislation for the passage of property from one to another, and there are already basic laws which affect that. Take it, for instance, in our State; we have an inheritance tax. The passage of any such law as Mr. Hanhart suggests could drive around the law of the inheritance tax. We are also blessed or cursed with a tax inquisition in Ohio. My friend here had a run on his institution a while ago, which served as a good advertisement for the strength of the Savings Banks. One man had some money on deposit there, and after loafing around the corridor half of the forenoon he was called into the bank and requested to take out his book. The book was taken and he was given the money for his account, and told that thereafter he must deposit his money somewhere else. He went out on the street and thought it was something wonderful that they should call him in and force their money on him. The tax inquisition got hold of it and it cost him \$325 for back taxes on his \$2250 that he had on deposit. Another case in point. The Vice-President of the institution with which I have the honor to be connected was appointed administrator of an estate of a man who was very careful of his personal affairs, who did not even divulge to his wife the amount of his estate. I happened to be one of the appraisers of that estate. He had more than \$50,000 on deposit in various Savings Banks, besides \$50,000 in his commercial account. My friend was very careful to make a settlement with the tax authorities before he filed that inventory, and he was very glad to pay a fee of \$5000 for a receipt in full of all taxes that had not been paid for five years previous. Now you can see, gentlemen, what will be the effect of this proposed action. Not so much the effect of legislation, because that would be threshed out, and in some way or other a method will be made clear by which we can pay the money; but such an agreement as is here suggested is one of great peril in a majority of the States. New York is the most liberal in her construction of this law. A recent decision says that the gift of a bank book, the mere turning over of a bank book to another person, is an evidence of gift, and that the money belongs to that person. The State of Massachusetts, to which we look for safe and conservative laws both in banking and in insurance, holds the reverse on that subject, diametrically opposed to that ruling of the New York Court. Now let us out of this matter of agreement

and legislation find something that will enable us to pay an account without subsequent risk. We realize that if a man draws a check on his commercial account and he dies before that check is presented and knowledge of the fact of his death comes to the bank the check will not be honored. Now, the man had the money on deposit, he drew the check, he intended that the money should go to the person in whose favor the check was drawn, but the bank pays it out at its peril if it pays the check after notice of the man's death. Now, I cannot conceive that the form of agreement suggested here by our committee can change the law with reference to these trust accounts. I hold that the only safe way is that which Mr. Paton has laid the lines for. It may not be in just the most desirable form. Mr. Hanhart and Mr. Paton are a unit in their intention and the only difference is in the question of phraseology. I think the only safe way is along that line.

Mr. Wilcox: Mr. President, I do not think we can agree upon a form of phraseology which can be made effectual in the same sense in every State. In the first place, we should have to agree upon the form of phraseology, and then we should have to make sure that the interpretation of the words we agreed upon would be the same in all the courts of the different States. We see how the courts have construed the ordinary trust account differently in different States. I think the most that can be accomplished is perhaps a resolution that each one shall try to have enacted in his own State exactly what he is advised can be put into effect in that State. I do not think we can get any uniform action. Perhaps in this connection a little experience will elucidate the subject. The Philadelphia Saving Fund Society, chartered in 1810, has to-day 249,000 open accounts on its books. In its charter there is a provision for a book of appointments, which the court has upheld as perfectly valid, and yet to-day it is practically out of use. We have had no occasion to use it. The trust accounts have taken its place. In Pennsylvania an ordinary trust account. A B in trust for C D is held as a revocable trust during the lifetime of the trustee, and the fund is payable to the *cestui que trust* on the death of the trustee. Of course, that is a very simple matter, but you cannot get the courts in the different States to construe it in the same way. Neither can you get the courts to construe any form of language which may be adopted here so as to meet every requirement of the savings institutions or of the depositors in the same way in the different States.

As to the joint account, of course we have found it advisable in our business to discourage that as much as possible. At the same time we find that it is necessary to use those accounts, and we have used the simplest form that we could find, which is an account in the name of A and B subject to the order of either—that is, either to draw—and to the survivor. The courts have upheld that as being perfectly valid, only in the event of the death of one, while the survivor can withdraw it, it falls upon the court finally to determine the ownership of the fund. The survivor can withdraw it, but he has no right to say that it belongs to him. That must be determined by the court. That protects the bank. Of course the bank wants to be protected, but we want to accommodate the depositor as much as we can. But that raised the question at least how far we ought to go outside of the ordinary forms of law in trying to accommodate depositors. The first thing is to see that the bank is protected. The second thing is to see that the depositor is accommodated in so far as he can be accommodated without loading down the bank with too much responsibility or surrounding the matter with too much difficulty. I have very grave doubt whether the form suggested by the gentleman from Maryland, Mr. Rother, would be practicable in Pennsylvania, or would be upheld, because that is just a trust which is not a trust. It is a trust fund in the name of somebody or his trustee, subject to the withdrawal of either the *cestui que trust* or the trustee. I do not believe our courts would uphold that for a minute. I do not think it would be either flesh, fish, fowl or good red herring. It would not be anything. So my conclusion from this discussion is that we are surrounded by too many limitations as to the construction that should be placed upon the words that we would adopt to obtain a uniform form in the different States. I think we must make up our minds to that conclusion.

The President: This is all instructive, and tends to teach us gradually the methods of protecting ourselves, and what I believe to be of equal importance, the protecting of our depositors, and arranging that upon the death of a depositor

that shall be done with the funds which he wished to have done. We shall be glad to hear from other gentlemen from other parts of the country on this subject.

Mr. Mitchell, of Richmond, Virginia: I have been trying to ascertain whether the intention of the gentleman who drafted that resolution was to free this deposit from any liability for the debts of the deceased. I listened to the gentleman from Baltimore (Mr. Rother), and I was very much interested in what he said. To some extent the law of Maryland is the same as the law of Virginia, and your distinguished Secretary, Mr. Hanhart, has absolutely covered this question when he says that there can be no legislation that will interfere with property rights. You would have to repeal the statutes of Virginia in order to make effective any such nomination as that specified in that form there. It would not be worth the paper on which it was written, and while, as was said, in his State you could drive a six mule team through the law, in Virginia you could drive a twelve mule team through it. (Laughter.) It would upset everything, and it is utterly impossible for you to fix up any form of agreement that would enable you to pay a joint account in the way suggested without doing so at your own risk. We know very well that where there are millionaires you cannot draw a will that will hold. It seems utterly impossible in some States at least to make a valid will where you have anything to will away. (Laughter.) Now, in Virginia the law will hold, but it does not hold against your creditors. If you owe a man anything, you may leave what you please to your wife or your heir, and all your wife or your heir will inherit will be what is left after the creditors get through shooting at it and taking slices out of it. Now, in Virginia when you have a joint account, the question as to who put the money in the bank is a secondary question. The first question is, to whom does the money belong, whose money is it? And then if you can trace the money that was deposited in a bank to ownership in any person, if you can prove that that money belongs to that person, even though the bank was not so informed, the court of equity will set aside the deposit and pay the money where it belongs, and will give the person who really ought to receive the money the benefit of the deposit. So I say it is utterly impossible in the State of Virginia to pass such a proposition as that. It is very much like the case which was referred to here by the gentleman who spoke a few moments ago, when he said that if the bank paid a dollar of money it paid it at its own risk, and the heirs would come in, and before the heirs came in the creditors would come in. The creditors are God's chosen people in the State of Virginia. (Laughter.)

To give you a case in point, I hope you will pardon a little digression. A case occurred where they had a chance to grab after a man's life insurance money. I will tell you how it occurred. In our State the law requires two or more witnesses to a will, provided the person does not write the will himself; but if you can prove by testimony that the entire will is written in the handwriting of the deceased then it is a legal and valid will, regardless of the legal form and the cumbersome propositions of the attorney. Now here was a case in which there was insurance. You can will your insurance money to any of your heirs and it is free of any incumbrances. I mean to say by that if you insure your life for \$10,000 you may owe a million dollars, but not one dollar of that insurance money will go to pay your creditors unless you should happen to lose your wife to whom you will this money and get a new wife. Then if you attempted to will this insurance policy to your new wife, if you owed any money between the time that you lost your one wife and got a new one, the court would rule that the insurance money in that case would go not to the new wife but to the creditors. They would step in and wipe out your insurance money. Now that is a technical way of ruling, and of course these are legal technicalities; and when I see you business gentlemen staggering around on legal questions, and when I even see lawyers disagreeing on it, it is a source of amusement to me. (Laughter and applause.) I suggest that you follow what we have found to be a very safe rule, which we always follow down in our country. That is, when you don't know what to do, do nothing.

NEW COMMITTEE TO CONSIDER TWO-NAME ACCOUNTS.

Mr. Teter: I suggest that the only thing we can do is to do what our brother from Virginia has suggested, and that is that we do nothing this afternoon on this proposition. We have had a very beneficial discussion on this question, but it seems to me we have too much before us to attempt to settle it to-day, and I was going to suggest—and perhaps I may as well put it in the form of a motion—that we con-

tinue this committee or have a new committee, perhaps on broader lines, to go on with this work. I will make the motion that the Chairman appoint a committee to continue the work of reaching a satisfactory solution of the trust and joint account questions, and that the principal duty of this committee be to confer with members in the different States in assisting them and in urging them to bring about such legislation in their respective States as will be satisfactory, and to come before this Section next year and report the States that have made progress. Let us keep this up until we have it all satisfactorily adjusted. New York seems to be all right and Philadelphia reports progress. Perhaps some of the rest of us can do something in the next year.

The President: There was a previous motion upon accepting the report of the committee. Perhaps the more proper motion would be to receive it and place it on file, and then the motion of Mr. Teter would be in order.

Mr. Creer: I make that motion, to receive it and place it on file.

The motion was agreed to.

Mr. Teter: I now renew my motion.

The President: It has been moved that the Chairman appoint a committee of three, whose duty it shall be to collect information during the coming year as to practical methods of remedying the defects in existing laws in the different States on this question.

Mr. Rother: I suggest that the committee be composed of five members instead of three.

The President: Is that acceptable to the movers?

Mr. Teter: And is it understood that it includes both trust accounts and joint accounts?

The President: Both trust and joint accounts.

Mr. Teter: A committee of five is satisfactory to me if it is to the seconder of my motion.

The President: Then the question is on the appointing of a committee of five, having within its scope both joint and trust accounts.

Mr. Hanhart: Before adopting this motion I would like to say that a committee of five would probably consist of members from different States at a great distance from each other, which would make the meetings of the committee a difficult proposition to handle. Would it not be wiser to appoint a committee of three? My experience in these matters is that it is very difficult to secure a meeting of a larger committee.

Mr. Rother: That is satisfactory to me and I believe that objection is a valid one.

The President: Our experience in this organization is that a small committee is more desirable. Of course that is subject to the views of the Section.

Mr. Teter: I made the original motion because my experience was in the same direction, but I always defer to the views of others. I now renew my original motion for a committee of three.

The President: If there is no objection it will be understood by unanimous consent that the motion is for the appointment of a committee of three. The Chair will suggest that it is impracticable to select a committee offhand, and doubtless it will be acceptable to the incoming Chairman, under whose administration this committee will perform its duties, to designate the committee. Are you ready for the motion?

The motion was agreed to.

SAVINGS BANKS PRINTED FORMS.

The President: Another subject which we have on our programme this afternoon is that of Savings Banks Printed Forms. As I have before stated, our Secretary has been most industrious and efficient in the collection of these printed forms and he will make a statement in reference to them.

The Secretary: This collection which you have all seen at our headquarters is not complete by any means. We have received reports from about three hundred and fifty Savings Banks, or less than one-half of our members, but these forms, I think, may be considered fairly representative in their character. I would ask those of you who have not sent your printed forms to send them to me without delay. I have tried to get some estimate as to the cost of reproducing these forms and I find it impracticable to reproduce them, because it would cost too much money and probably would not be quite satisfactory in return for the outlay. But I would suggest this to you, that you name a committee to pass upon these forms and to select from them, say, two or three of each kind relating to each subject matter, and that these selections be then reproduced and printed in a book, and

that book be for sale to our members and to others if you choose. In that way, I think, you will get the best of those forms by printing two or three or four or five of each kind. The Trust Company Section some five years ago prepared a book of that kind of forms which they sold to their members, and this publication, I think, has been very satisfactory. We have a great many more forms than the Trust Companies had then or even have now. Still, I think after the committee have made their selection the forms which they would select could be printed at a cost that would probably allow us to sell the book to our members for perhaps \$12. It is very hard to say exactly what the cost would be, but I think such a price as that ought to cover the cost. I have prepared a short form of resolution, and perhaps you would like me to submit it to you to bring this matter into concrete form.

Mr. Duff: I move that this matter be placed in the hands of a committee of three to make a selection from the forms submitted, to select such forms as in their opinion are good ones and to devise some means of getting them before the members of the Section.

Mr. Flack: I second that motion, and I should like to see Mr. Hanhart, our Secretary, made the Chairman of that committee.

Mr. Duff: I would make that a part of the motion that Mr. Hanhart be made Chairman of the committee.

Mr. Hanhart: I thank the gentlemen very much, but will you permit me to offer my resolution as an amendment or a substitute for this? I will read the resolution as I have written it. Of course, you can change it:

Resolved, That the matter of reproduction of a selection of the best printed forms of Savings Banks included in the collection now on exhibition at this Convention for sale to our members and others be referred to the Executive Committee with power.

If you leave the matter to the Executive Committee they will see to the naming of the committee. You see this question of the naming of the committee is a little difficult. You cannot name a committee the members of which are too far apart. The committee has to meet, and if the members reside a thousand miles apart, that will not do. I think the Executive Committee can handle this matter very satisfactorily, and it will carry out Mr. Duff's idea if the whole matter is referred to that committee with power. Then they can arrange such details as to ways and means as may be necessary. It will require some thought and consideration on their part.

Mr. Duff: That motion will be acceptable, except that I thought it might be advisable to have some of the members who are not on the Executive Committee taken into this matter in order to get the benefit of their views. The Executive Committee could work with them. I would like to leave it to the sense of the meeting. If they think the Executive Committee is the proper committee to handle the question I am perfectly satisfied.

Mr. Hanhart: I would also say to Mr. Duff that the Executive Committee might turn it over to a committee composed of other members, as he suggests—gentlemen who are not members of the committee, but who would be willing to undertake this work. I will tell you frankly that it is a work of considerable magnitude and will require considerable time.

Mr. Duff: That will be acceptable.

Mr. Hanhart: Then my motion covers the question practically, as I understand it.

Mr. Duff: Yes.

The Chairman: If Mr. Hanhart's version of the motion is acceptable to the mover and seconder that will be the question before the house. I have no doubt that the words "with power," being as broad as they are, would include the delegation of power, the appointing of a committee from the general body if that was found convenient. That will be the interpretation of it unless the Section desires otherwise. You have heard the motion, which is to refer the matter of the printed forms to the Executive Committee with power. Are there any other remarks?

Mr. Teter: There is just one disadvantage always in referring matters that come up in a general way to a committee—those who have to do with the Executive Committee are deprived possibly of the benefit of so much in the way of suggestions that we might get from other members. At the same time I do think it would be a splendid thing for us to have at least a few words from several of the members with reference to their ideas about these forms. I believe that the collection of forms which has been exhibited here has been one of the most attractive things in connection with this meeting of our Section. We hear of it on

all sides, and I believe it would be a good thing to hear a few words about these forms and some suggestions from the different members as to the best way to handle them.

The President: That would be perfectly in order and very desirable. Are there any remarks from any of the members present as to these forms which are before you? I would be very glad to hear from every one who desires to speak on the subject.

Mr. Flack: I wish to say that I have received considerable benefit from an inspection of these forms, and I would like to see them printed, or such of the best ones as the committee may select.

The President: I would suggest that perhaps Mr. Flack means the most typical forms, because it is very hard to say which are the best. There are so many requirements from the different environments, owing to the difference in laws and so forth, that I should think it would be a better guide for the committee to select those which they consider most typical of the different methods of business. To say which of the forms are best would be rather invidious.

Mr. McKay: I beg to offer a suggestion, and that is that the excellent work done by our Secretary in connection with these general forms might also be extended to the different forms of declarations in the different States, for joint and trust accounts.

The President: I think we are particularly rich in that matter.

Mr. McKay: The suggestion was that that collection be placed at the disposal of this committee that is to be appointed, together with such legal information as can be gathered from the several States regarding the validity of the different forms there used.

The President: That is an excellent suggestion. I believe our friend from Virginia, Mr. Mitchell, has not filed any declaration. Yet he apparently is in a state of despair as to the situation there in the Old Dominion, where a man's life, his property, and even his wife seem to be in great peril from any attempt at legal forms. If he devises a satisfactory form I hope he will favor us with it, as well as any others. The question is on referring this matter to the Executive Committee with power. Are you ready for the question?

The motion was agreed to.

MONTHLY REPORT OF DEPOSITS AND WITHDRAWALS.

The President: There is another subject on the programme to-day, and that is the question of Monthly Reports of Deposits and Withdrawals by all the Savings Banks of our Section, it being believed that if all could unite in this, at some little expense, which probably would be cheerfully borne, the results being tabulated by States but anonymous as to the banks, and no separate amount being given out as to banks, the statistics thus obtained would be a valuable indication of tendencies throughout the country, which would be important for all the members to possess. I do not say that is so, but that is the opinion of many members of the Association. In canvassing the matter we did not receive by any means unanimous support for the project. The question is whether that project shall be taken up for discussion, whether it shall be put into effect in some partial and experimental form, or whether we shall decide that the time is not yet ripe and that we will await further developments. That question is before you for any motion, and by unanimous consent for any remarks if no motion is made. It would be appropriate to hear first from those gentlemen who favor this plan and who can state some of the advantages of it. Perhaps Mr. Hanhart will state to us more precisely than I have stated what in general the plan is, as it has not been discussed in the open Section.

Mr. Hanhart: I do not want to detain you, gentlemen, but if you will give me a few minutes I will tell you what the proposition consists of. We propose to call for reports of cash deposits received and cash withdrawals made each month, these reports to be sent to the Secretary, who is to collate them, not giving the amounts for any one bank, but merely tabulating the total. This is to be sent back before the 10th of each month to every member of this Association, so that in this way we can watch the trend of prosperity or otherwise in the United States. It involves an enormous amount of work every month. The Secretary will receive some fifteen hundred reports, collate them and send them forward. This proposal, if carried into effect, will necessitate a great deal of work. I am sorry that the proposer is not here, but he was unable to come. He seems to think very

highly of the plan. There is no question that it is advisable that it be done in some shape.

Regarding the value of statistics, I would like to tell you of an incident that happened a few years ago in my own city. At the time our worthy and beloved Executive, Theodore Roosevelt, was Commissioner of Police in New York he made a strong attempt to enforce the Sunday closing law relating to saloons; this attempt was successfully carried out for a limited period.

At about that time a reporter called on the President of a large Savings Bank and asked him if he had not observed an increase in the deposits on Monday mornings since the enforcement of the closing law. The President, who is a very bright and observant man, replied, "No, I have not remarked anything of the kind." The reporter, however, insisted, and asked him to make a comparison with the amount of Monday deposits as compared with the other Mondays previous to this period. The President therefore had a statement made up making such comparison, and found that ever since the enforcement of the Sunday closing law the deposits on Monday mornings—a large proportion of these being from the wage-earning classes—had shown a very decided increase as compared with the previous Mondays, fairly good proof that many of the wage earners deposited that part of their wages which otherwise would have been spent in the saloons and drinking shops.

I think there is often a lesson to be learned from statistics, and I believe if some man should come to you and would say, "What will you give me if I supply you on the 10th of every month with accurate figures as to the total receipts and withdrawals in all the savings banks of the United States for the past month?" That you would give some of your good money for it. The matter is before you, gentlemen, if you would like to try it. Or you might, for instance, collate on the first of January next the total receipts and withdrawals for the past year and send them to us, and we might try it for one year. To-day we have no accurate knowledge as to how much money is deposited in the Savings Banks in the United States during the year. You get such figures in a few States, but you do not know how much is deposited in all the United States.

Mr. Woodruff: Can you tell me what proportion of the Savings Banks of the United States are represented in this Section?

Mr. Hanhart: The Comptroller of the Currency estimates the total savings in the United States at a little over three thousand million dollars. I have computed the total deposits in the banks that are members of our Section and make the amount within a few millions, I think, of \$2,250,000,000. Therefore we may say that we represent about 70 per cent. of the total deposits.

A Member: When you sent out your circular on this question how general a response did you receive? What proportion of the membership seemed willing to furnish these reports?

Mr. Hanhart: The proportion was about two-thirds who were in favor of it and a third were either not in favor of it or a few actually opposed to it. One banker told me that the counsel of his bank told him they had no right to give these figures except to the Bank Superintendent. As long as this thing is not unanimous here we cannot carry it out. The reports should be from all of them.

The cost of this would not be great. It would amount practically only to the postage, or only a few hundred dollars.

Mr. Hammond: Is it not true that there is a constantly increasing proportion of Savings Bank deposits in the United States which are going into Trust Companies and into the savings departments of the National Banks which would not be reached by any such inquiry?

Mr. Hanhart: We have in our membership 153 banks that are Trust Companies and Savings Banks also, and they would report to us only their savings deposits in those banks. I would ask them to give the figures of the savings department only and not of their general commercial business.

Mr. Hammond: In Michigan a great many National Banks are putting in savings departments and we would get no report of that.

Mr. McKay: Inasmuch as two-thirds of the members of the Section seem to have expressed an interest in this matter, I move that the Secretary be instructed to put this plan into operation in an experimental way, and that if after the experiment has been tried to reasonable extent it does not seem to be successful it then be dropped.

Mr. Flack: I would like to second that motion.

The President: I would like to have the gentleman supply one blank in his proposition. Is this experiment which is proposed to be monthly or quarterly or annually?

Mr. McKay: My idea was for monthly reports. I have been considering whether the quarterly reports might not answer the requirements fairly well. Still, I am inclined to think monthly reports would be better.

The President: Of course the information would be fresher.

Mr. Parker: It seems to me it would be well, if the project is carried out, that you should go back and include the deposits and withdrawals for the past year month by month. I can see that the statistics would be of value in this regard, that they would prove the movement of money in and out of Savings Banks during years of prosperity and in the time of financial crises and in years subsequent to a monetary revulsion. Our panics are more frequent, expensive and disastrous than those in any other country under the sun, and these statistics would prove, at least to some extent, the cost to the small depositor, then out of work, and also prove the accumulation under prosperous conditions.

Mr. Creer: In order to make the tabulated statement as valuable as possible I wish to suggest that there be included in it not only the deposits and the withdrawals by the month, but the total deposits of the institution at that time and the number of accounts, thus giving us the amount deposited, the amount withdrawn, the total amount on deposit at that time and the number of depositors, and therefore giving us the amount deposited per capita in each of the States.

The President: This suggestion will doubtless be utilized by the committee which has the project in charge.

Mr. Fowler: I do not think you will find very many people who will doubt the value of these statistics. When we stop to consider the great amount of money that the Government expends in getting up weather reports and crop reports and various statistics of this kind, it is certainly more essential that we should know the condition of things that produce the crops and how they grow. In reference to the time when these reports should be published it might be wise to start out with quarterly reports, and then if members contribute liberally to the support of the project, and if the information is found to be thoroughly desirable, then there could be monthly reports. It would be more in the nature of an experiment the first three months possibly, and then it might be made monthly afterward.

Mr. Latimer: I offer the following:

Resolved, That the Secretary be instructed to forward to each member of the Section in December next a printed blank form asking for the following information from their bank: total deposits and total withdrawals for the years 1903, 1904 and 1905; amount of deposits held by the bank on the 31st of December of these years; rate of interest paid depositors, and such other information as the Executive Committee may deem appropriate. These figures to be collated by the Secretary in totals for each State, groups of States and total for the United States, and forwarded to the members for their information, the Executive Committee to have power to require such statements at intervals as they may deem advisable.

Mr. Creer: Are we to understand that the motion of Mr. Latimer is a substitute?

The President: It is a motion in the nature of an amendment.

Mr. Hammond: Is this to be confined to members of this Section?

The President: I think the understanding is that it is to be confined to them, that the information is to be communicated to them.

Mr. Hammond: Would it not be better to ask for information from other Savings Banks or from Trust Companies that receive savings deposits and from National Banks that receive savings deposits?

The President: If they are members of this Section they will be reached and they will receive the information; but if they have not interest enough to do that, then we doubt whether we could ever interest them in this project. No doubt some of them will join for the very purpose of getting these statistics, and that will be desirable.

Mr. Woodruff: Several institutions have been spoken of which are both Savings Banks and Trust Companies. I should like to inquire whether those are to be included or

whether those only are included which have straight savings accounts.

The President: I think that would be left to the discretion of the institution to decide what proportion of their accounts were *bona fide* savings accounts.

Mr. Taylor: In some States a bank can be organized under the Trust Company laws to do a Savings Banks business also, and in that case the savings accounts are savings accounts pure and simple and have nothing to do with the Trust Company accounts, being kept entirely separate.

The President: The question is on the substitute offered by Mr. Latimer.

The substitute was agreed to.

The President: The question now is on adopting the resolution which has been substituted, or, in other words, on the proposition as amended.

The motion as amended by the substitute of Mr. Latimer was agreed to.

The President: Is there any other business to come before the Section previous to the election of officers?

THANKS TO OFFICERS.

Mr. Burns: I offer the following:

Resolved, That the thanks of this Convention be extended to the officers of the Section for the efficient and faithful way in which they have discharged their duties.

The President: Will Mr. Burns please put that motion.

The motion was seconded, and the question being put by Mr. Burns it was unanimously agreed to.

THANKS TO WASHINGTON BANKERS.

Mr. Taylor: I offer the following:

Resolved, That the thanks of this Convention be tendered to the Washington bankers for their very courteous reception and entertainment.

The motion was unanimously agreed to.

NOMINATIONS AND ELECTIONS.

Mr. Hoyt: Mr. President, I offer the following nominations for the ensuing year:

For Chairman: Edward E. Duff, Vice-President People's Savings Bank, Pittsburg, Pennsylvania.

For Vice-Chairman: G. Byron Latimer, Secretary Irving Savings Institution, New York.

For three members of Executive Committee to serve three years:

1. C. Cotesbury Purves, President Philadelphia Saving Fund Society, Philadelphia, Pennsylvania.

2. John F. Flack, President City Savings Bank, Omaha, Nebraska.

3. J. H. Johnson, Cashier Peninsular Savings Bank, Detroit, Michigan.

The President: You have heard these nominations. The newspaper reporters have heard that there was going to be a fierce contest for the offices of this Association. I will explain the absence of the name of your present Chairman from the list by saying it is simply because he could not be elected. (Laughter.) It is not because of any lack of ambition or desire on his part. Our constitution makes your present Chairman ineligible as a candidate, and I beg to thank you for the provision of the constitution which relieves me from the cares of this office for the following year. What is your pleasure as to these nominations? Shall the nominations be closed and a ballot be taken?

Mr. Hulbert: I move that the Secretary be instructed to cast one ballot for the officers nominated.

The President: That motion requires a unanimous vote. One negative vote will make it necessary to take a ballot.

The motion was unanimously agreed to and the Secretary cast the ballot as directed.

The President: Gentlemen, I take pleasure in introducing to you Mr. Duff, your President-elect, who I am sure will

fill the office with great credit to himself and benefit to the Section. (Applause.)

President Duff: Members of the Savings Bank Section, I am not going to make a speech. I simply want to thank you for the honor conferred upon me, which I consider a very great one; although I have a good many gray hairs, I think that an older member of the Association in point of years should have been honored with the office. I will, however, endeavor to perform the duties of the office to the best of my ability with the assistance of the other members and our able

Secretary. (Applause.) Is there any other business to come before the Association? My Secretary, have you any other business to present?

The Secretary: No, Mr. President, the Secretary knows of no other business to present.

The President: We have been requested to pose for a photograph of the members of this Section immediately after its adjournment. If there is no other business we are ready for a motion to adjourn.

On motion at 4.15 p.m. adjourned.

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CAPITAL,	-	-	-	\$2,000,000
SURPLUS and PROFITS	-	-	-	2,842,000
DEPOSITS	-	-	-	31,300,000

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Accounts of Banks, Bankers, Corporations, Firms and Individuals Invited.

The Chase National Bank

OF THE CITY OF NEW YORK

CLEARING HOUSE BUILDING

Capital	-	-	-	(AUGUST 25, 1905.)	\$1,000,000
Surplus and Profits (Earned)	-	-	-		4,643,582
Deposits	-	-	-		62,948,975

A. B. HEPBURN, President
E. J. STALKER, Cashier
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A. H. WIGGIN, Vice-President
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Accounts of Banks, Bankers, Corporations, Firms and Individuals received on favorable terms.

THE NATIONAL PARK BANK OF NEW YORK

ORGANIZED 1856

Capital,	-	-	-	\$3,000,000.00
Surplus and Profits	-	-	-	7,221,597.32
Deposits, August 25, 1905	-	-	-	98,562,483.20

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ORIGINAL CHARTER 1829

THE CALLATIN NATIONAL BANK OF THE CITY OF NEW YORK

CAPITAL,	-	-	-	\$1,000,000
SURPLUS AND PROFITS,	-	-	-	2,200,000

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1. The RAILWAY AND INDUSTRIAL SECTION, 180 pages, issued quarterly, on the last Saturday of January, April, July and October, containing the latest available information respecting the property, stocks, bonds, earnings, dividends, interest payments, &c., of every Steam Railroad of importance and of the leading Industrial Corporations, &c., in the United States.

2. The STATE AND CITY SECTION, of 196 pages, issued semi-annually, in May and November, containing among other things, about 3,000 detailed reports of the indebtedness and general financial condition of States, Counties and Cities; also digests of laws relating to investments, by Savings Banks, &c.

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Capital, . . . \$500,000
Surplus and profits, \$400,000
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SURPLUS AND PROFITS, \$875,000.00

DEPOSITS, \$14,500,000.00

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REPORT OF THE CONDITION OF THE

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At the Close of Business, August 25, 1905

RESOURCES		LIABILITIES	
Loans.....	\$2,331,401 10	Capital Stock paid in.....	\$500,000 00
U. S. Bonds.....	350,000 00	Surplus and Undivided Profits.....	134,538 10
Premiums Paid.....	17,500 00	Circulation.....	342,000 00
Furniture and Fixtures.....	28,500 00	Deposits.....	2,500,176 35
Due from Banks.....	580,748 52		
Cash.....	151,004 83		
Redemption Fund.....	17,500 00		
	\$3,485,714 45		\$3,485,714 45

THE MICHIGAN TRUST CO.

of Grand Rapids, Mich.

CAPITAL, \$200,000.00
Additional Liability of Stockholders 200,000.00
Surplus and Undivided Profits, 140,000.00
Deposited with State Treasurer, 100,000.00

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Surplus,
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Profits,
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SURPLUS, \$500,000

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Capital }
Surplus } \$15,000,000
Profits }

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CAPITAL AND SURPLUS, \$2,700,000

RESOURCES, \$21,245,017.

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